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PROJECT MANAGEMENT FOR STARTUP

PROJEKTOVÉ ŘÍZENÍ PRO STARTUP

BACHELOR'S THESIS

BAKALÁŘSKÁ PRÁCE

AUTHOR

AUTOR PRÁCE

Jan Petrek

SUPERVISOR

VEDOUCÍ PRÁCE

Ing. et Ing. Pavel Juřica, Ph.D.

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Goals of the Theses
Theoretical Foundations
Current Situation Analysis
Proposals and Contribution
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CARSTENS, D. S., G. L. RICHARDSON and R. B. SMITH. Project management tools and techniques: a practical guide. Boca Raton: CRC Press, 2013. ISBN 978-1-4665-1562-8.

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L. S.

doc. Ing. Robert Zich, Ph.D.
Director of the Institute

doc. Ing. Vojtěch Bartoš, Ph.D.
Dean

Abstract

Bachelor thesis focuses on developing a plan for the creation of a supplier network and creating a proposal of a logistic system for food delivery service start-up. The analysis examines the delivery possibilities of existing services, as well as customer expectations and process of supplier selection. Contribution part of a thesis proposes a solution as building a delivery fleet and combining delivery to customers' doors and ensuring the possibility of pick-up points.

Abstrakt

Bakalářská práce se zaměřuje na vytvoření plánu pro vytvoření sítě dodavatelů, a sestavení návrhu pro vybudování logistického systému užívaným startupem rozvozu potravin. Analýza mapuje doručovací možnosti existujících rozvozových služeb, zároveň očekávání zákazníků a proces výběru dodavatelů. Návrhová část práce navrhuje řešení vytvořením vlastního rozvozového parku a nabídkou kombinace doručení zákazníkům domů, a zajištění možnosti vyzvednutí nákupu v odběrných místech.

Keywords

Process, process management, startup, logistics, delivery service, supplier selection

Klíčová slova

Proces, procesní řízení, startup, logistika, rozvozová služba, selekce dodavatelů

Goals of the Thesis

The main goal of the bachelor's thesis is based on the analysis and own research to propose measures that will lead to the planned outputs being available at the end of the project.

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Prohlášení

Prohlašuji, že předložená diplomová práce je původní a zpracoval jsem ji samostatně. Prohlašuji, že citace použitých pramenů je úplná, že jsem ve své práci neporušil autorská práva (ve smyslu Zákona č. 121/2000 Sb., o právu autorském a o právech souvisejících s právem autorským).

V Brně dne 15. května 2021

.....

podpis autora

Poděkování

Na tomto místě bych chtěl poděkovat svému vedoucímu práce, panu Ing. et Ing. Pavlovi Juřicovi za odborné rady, konzultace, sdílení cenných zkušeností a výborný přístup k vedení této práce.

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INTRODUCTION

This thesis, that you're holding in your hands, deals with the project management of newly created business ideas.

In the case of a start-up, which is very dynamic in nature, there are a large number of processes that must be performed, often at once and in a short period of time. I perceive process management methods as very useful. With their help and application, the planning, monitoring and evaluation of individual phases and processes is clearer and there is a higher chance that the whole project will lead to a successful goal.

The work is divided into three parts. The first part is theoretical, followed by an analytical part which deals with the analysis of all parties involved, and validates the overall idea. The last part applies the results of analytical work and suggests another procedure.

BACHELOR THESIS OBJECTIVE

The first objective of this bachelor thesis is to develop a **plan for the creation of a supplier network** with clear criteria, which will serve as pathways for a decision making process easing selection and acquisition of new suppliers any time we need them.

The second objective is to create a **proposal of a logistic system** that will ensure the transport of goods from farmers to customers in the preferred way, as quickly and efficiently as possible.

The thesis objectives are just partial objectives of the whole project. Project objectives are described in the proposal and contribution part of the thesis. The reason is the scope and complexity required for processing a thesis with all outcomes sufficiently. Therefore, the thesis focuses mainly on Outcome No. 1

1 THEORETICAL FOUNDATIONS

In this part I will focus on the theoretical explanation of the concepts that will occur, or I will work directly with them in other parts of the thesis. At first, the concept of startup will be described, as well as its nature and validation process, then I will focus on the concepts of project and project management, and stakeholder analysis. At the end of this part, we will quickly look at the definition of specific topics of the project, that is being described in this thesis.

1.1 Startup

The term start-up has a number of meanings in English, and is also used in Czech Republic to describe some kind of a business venture. Using the word start-up is being practised in a variety of contexts, for example a company that is developing a new technology, a company that is run and founded by a group of young entrepreneurs, or a new business venture in general. (Adamczyk, 2020, p. 67)

Another **definition of startup**, that by its nature a project Nákup Ze Statku represents could be described as „*Human institution designed to deliver a new product or service under conditions of extreme uncertainty.*“ (RIES, 2011, p. 27)

And similar point of view is represented by Wojciech Wodo

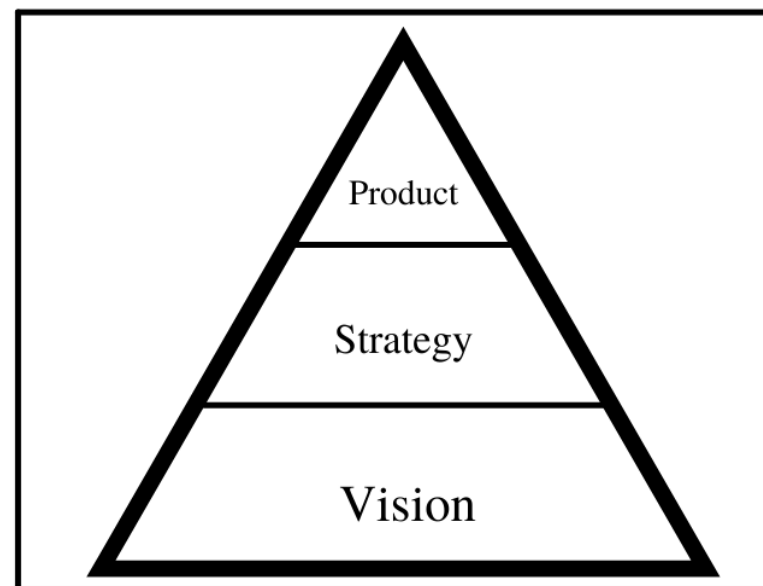
„*We call a company a start-up if it is still searching for a repeatable scalable business model. It means such a company should be ready for switching from its current core business to a side business or even create new business – it is not fixed on one model. Pivoting is a daily routine for a start-up enterprise, it happens for several reasons. First of all in the case of an early stage of development there is usually a lack of resources, we mean here money, infrastructure and human resources. Driven by these factors the company has to be agile and smart to survive and grow.*“ (Wodo, 2015, p. 27)

Or, to put it simply by corporate acquisition expert, Steve Blank „*Startups are those companies that are still in the process of searching for a business model.*“ (Blank, 2014)

1.1.1 Startup development

When developing a startup, instead of making complex plans that are based on a lot of assumptions, one can make constant adjustments with a steering wheel called the Build-Measure-Learn feedback loop. By applying the **process of steering**, one can learn when and if it's time to make a sharp turn called a pivot or whether we should persevere along the current path. Once a proper adjustment has been made, then it's the time to scale and grow the business with maximum acceleration, (Ries, 2011).

Start-up founders usually have a destination in mind that manifests itself by the creation of thriving business. It's called a start-up vision. And to achieve this vision, start-ups employ a strategy, which includes a business model, such a product road map, that could be represented as a point of view about partners and competitors, and the ideas who the customer could be, (Ries, 2011).

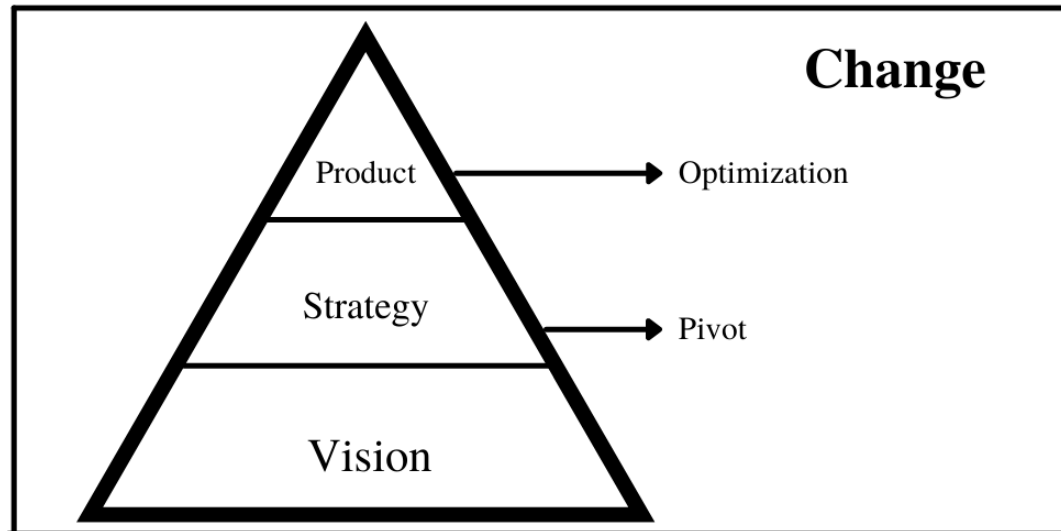


Picture 1.1: A start-up hierarchy
(source: own creation, according Ries, 2011)

1.1.2 Adjustments and validation

According to Mr. Ries, the picture shows that the basis of the start-up is their vision, and through the chosen strategy they implement the product. The strategy can change on the

fly, although it is less frequent (pivoting), but the form of the final product or service changes significantly more often through the optimization process, as described in the picture below



Picture 1.2: A start-up adjustments
(source: own creation, according Ries, 2011)

The approach for finding necessary adjustments can be chosen as an **observation of the surrounding market** and anticipation of the trends in order to prepare for the short-term future. It could be obtained in two ways. The first is that a start-up founder could be radical and try to create the market (difficulty convincing people that they need the product or service), or to choose a more conservative approach and ask the customers. This method is based on an assumption that wisdom of a crowd is very useful, but has to be acquired by asking the right questions to be valuable, (Wodo, 2015, p. 28).

1.2 Project management, project

In this section is provided definition for terms and tools used for analysis and proposal of solution, within the methods of project management.

1.2.1 Project

A project is a temporary endeavour undertaken to create a unique product, service, or result. The temporary nature of projects indicates that a project has a definite beginning and end. The end is reached when the project's objectives have been achieved or when the project is terminated because its objectives will not or cannot be met, or when the need for the project no longer exists, (Project management institute, 2017, p. 3).

Every project creates a unique product, service, or result. The outcome of the project may be tangible or intangible. Although repetitive elements may be present in some project deliverables and activities, this repetition does not change the fundamental, unique characteristics of the project work, (Phillips, 2013, p. 16).

1.2.2 Project management

Project management is often used as a general term that covers all the planning, monitoring, coordinating and controls that are required when developing or redeveloping systems or processes, or in problem-solving, (Kuster, 2015, p. 9).

„Project management is the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements.“ (Project Management Institute, 2017, p. 5)

1.2.2.1 Project charter

A project charter is a document that formally recognizes the existence of a project and provides direction on the project's objectives and management. It authorizes the project manager to use organizational resources to complete the project. Ideally, the project manager provides a major role in developing the project charter, (Schwalbe 2012, p. 157).

1.2.2.2 Stakeholder

Stakeholder could be described as a subject with an interest in or concern for the organization's overall success. Although this definition is correct, it is useful to specify

stakeholders by dividing them into groups that the project is interacting with, (Lyon, 2018).

1st group: Investors - Subjects, that own piece of the company

- Owners
- Shareholders, stockholders

2nd group can be called as a member of an organisation, that includes:

- Executives, leaders
- Managers
- Front line employees

It can be said that everyone that depends directly on their organization for their paycheck, (Lyon, 2018).

Outside, there are **external groups** that connect or count on the organization as well, for example:

- Vendors
- Suppliers
- Customer

And because they are doing business on a daily basis with the organization, so they certainly classify as stakeholders, (Lyon, 2018).

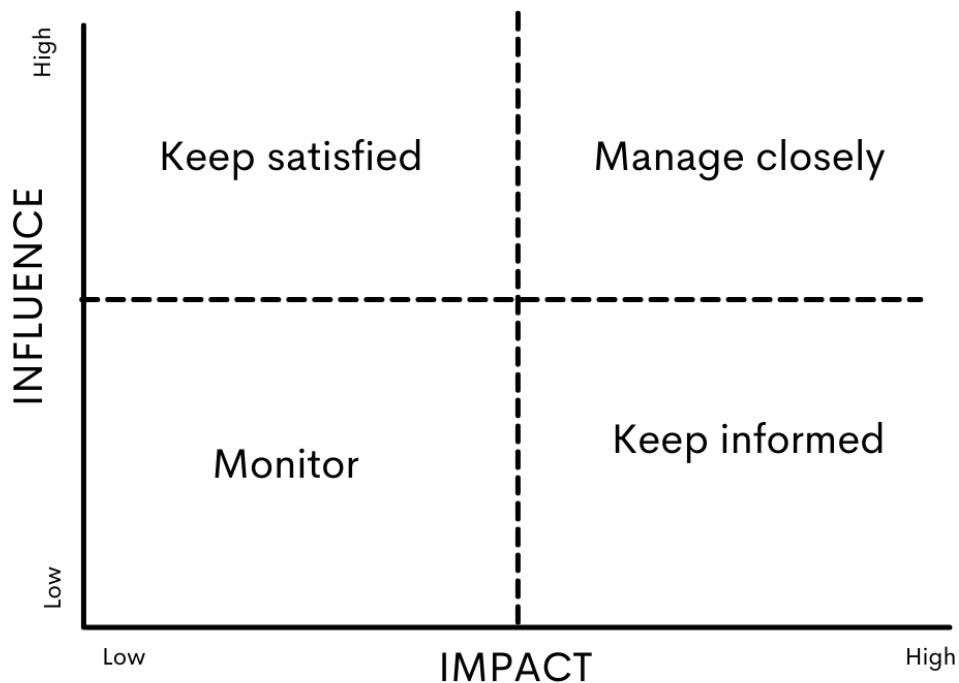
Then is there a **community**, and the term community is fairly broad, so it's important to be more precise:

- Local Host Community - where the organization lives, or operates by the nature of its business
- Industry - that the organization or business is part of Accrediting organizations - that are above particular organizations or projects,

- Media - can be determined by their geographic nature as local or national, or the way of using information channels: social media, newspapers, radio or television, (Lyon, 2018).

1.2.2.3 The stakeholder matrix

This matrix positions stakeholders in terms of their “influence” and “impact”, measures that help to determine who should participate in managing the project. Influence is not just the authority derived from a person’s job but also includes knowledge and expertise. Impact indicates the degree to which someone will back the project. Both may change, so although the matrix is relevant when drawn up, it is likely to become out of date soon after (Roberts, 2007, p. 57).



Picture 1.3: The stakeholder matrix
(source: modified based on Roberts, 2013, p. 57)

1.2.2.4 Gantt chart

Gantt charts represent schedule information where activities are listed on the vertical axis, dates are shown on the horizontal axis, and activity durations are shown as horizontal bars placed according to start and finish dates. Bar charts are relatively easy to read, and are frequently used in management presentations. For control and management communications, the broader, more comprehensive summary activity, sometimes referred to as a hammock activity, is used between milestones or across multiple interdependent work packages, and is displayed in bar chart reports, (Phillips, 2013, p. 208).

Gantt charts are easy to read and commonly used to display scheduled activities. Depending on the software the project manager is using to produce the Gantt chart, it might also show activity sequences, activity start and end dates, resource assignments, activity dependencies, and the critical path, (Phillips, 2013, p. 276).

1.2.2.5 Network diagrams

Network diagrams are generally used for sequencing the activities. Using Network diagram is a great way to highlight the evident connection between the individual tasks, and thus making evident the critical points that could endanger the operation of the project, (Wysocki, 2011, p. 202).

1.2.2.6 Communication management

Project Communications Management includes the processes that are required to ensure timely and appropriate planning, collection, creation, distribution, storage, retrieval, management, control, monitoring, and the ultimate disposition of project information. Project managers spend most of their time communicating with team members and other project stakeholders, whether they are internal (at all organizational levels) or external to the organization. Effective communication creates a bridge between diverse stakeholders who may have different cultural and organizational backgrounds, different levels of expertise, and different perspectives and interests, which impact or have an influence upon the project execution or outcome, (Project management institute, 2017, p. 287).

1.2.3 Risks

Risk can be thought of as positive or negative events in the future that could occur. Risk planning begins with a series of steps designed to help approach, plan, and execute the risk management activities, which constitute the first major step in risk management. The second process step involves identification of risks through looking at a company's historical records and other techniques to identify risks that should be reviewed and managed, (Carstens, 2013, p. 11).

„Risk is associated with uncertainty about the eventual achievement of values for particular parameters that are set, estimated, derived or expected. These include target outcomes, undesirable outcomes, timeframe and cost.“ (Zwikaël, 2019, p. 104).

1.2.3.1 Managing risks

Project Risk Management includes the processes of conducting risk management planning, identification, analysis, response planning, and controlling risk on a project. The objectives of project risk management are to increase the likelihood and impact of positive events, and decrease the likelihood and impact of negative events in the project, (Project management institute, 2017, p.335).

Managing negative risks is connected to a number of possible actions that project managers can take to avoid, lessen, change, or accept the potential effects of risks on their projects. Positive risk management can be described like **investing in opportunities**. However, it is important to note that risk management is an investment—costs are associated with it. The investment that an organization is willing to make in risk management activities depends on the nature of the, (Schwalbe, 2012, p. 475).

1.3 Project specific topics

This section will describe the topics that are a key part of the project and are examined in more detail in the work to achieve project outputs.

1.3.1 Logistic system

Logistics system is a supply chain management component that is used to meet customer demands through the planning, control and implementation of the effective movement

and storage of related information, goods and services from origin to destination, (Clausen, 2013, p. 19).

Customers can be identified as a subject who values the added value of a product or service created by a process within the project, (Kerzner, 2009 p. 77).

Pick-up points

available option of delivery method for our customers, that our project considers implementing. Pick-up point providers can be described as a business suitable for short-term food storing, with long opening hours run by a local entrepreneur/small company to be a pickup point provider such as for example Zásilkovna service, just for food. Such business agrees with short-term storing goods that customers previously ordered to the particular location and store, and offers to collect it within its opening hours.

Delivery can be identified as an act of taking goods or packages to customer door, or pick-up locations, (Chan, 2012, p. 17).

1.3.2 Suppliers

Suppliers can be identified as external subjects, usually companies or business, that entered into contractual agreement to provide goods or services necessary for ensuring the project's outcomes (Project management institute, 2017, p. 33).

Evaluation of suppliers - It is a process that approves potential supplies by performing qualitative or quantitative assessment. When a proper supplier evaluation is made, the project can operate with greater reliability that the goods, components or service expectations provided by the selected supplier will be in accordance with desired outcome, (Kuster, 2015, p. 160).

2 CURRENT SITUATION ANALYSIS

In this part of the thesis, I will introduce and describe the lean canvas of the project, as well as the project charter. It is further in this section a stakeholder analysis is executed and described, as well as the process and results of the customer survey. In a separate chapter, I focus on the competition survey and a more detailed survey of the current market leader Rohlík.cz. Last but not least, the course of the project is described using Gantt and network diagrams, a section devoted to the analysis of suppliers and also the final evaluation of this part.

2.1 Lean business plan

To get insight into what the project Nákup Ze Statku is about, the lean business plan for execution of this entrepreneurial idea is described in this section. First, the values, vision, and mission that are the cornerstone of this project are presented, following with a business canvas and its description.

2.1.1 Key values

Quality. Sustainability. Local production

These three values are the foundation on which the vision and mission of the whole project is based on, and those values with their meaning define a niche that, due to our research, a functional business can be built upon.

2.1.2 Vision

Aspiration of our starting business is in the next five years to bring awareness to the fresh, locally produced food and principles that accompanies its production, as the food industry in general is now more mass focused and the majority of products are produced quickly with some sort of chemicals to have high life expectancy. Consuming low quality food can cause certain health issues to the end customers, which could be otherwise prevented.

We strive to be a reliable and comfortable service that connects local farmers and end consumers which results in mutual satisfaction. Having perfect quality and reputation amongst our customers. spread by Word of Mouth and helps us to serve more customers

In three to five years, our **project aspiration** is to enter a B2B sphere, and therefore to be a key partner for business such as a restaurants or school canteens, but I am aware that the future, market developments and the current situation will show which direction it will be best to take.

2.1.3 Mission

Contribute to spreading of locality and seasonality in our diets by providing consumers convenient solutions to follow this trend.

In the following year our aim is to establish a system for supplier selection and start cooperation with 20 suppliers and with the help of reliable key partners, the ambition of the project is to acquire the first 1000 customers. This number will eventually grow in the next few years based on positive Word of Mouth. That is important because we will have a higher number of customers and they will need a higher range of products to choose from.

2.1.4 Business canvas

In the table below you can find Lean Canvas for our project. The method of using Lean Canvas was chosen, because it's structure corresponds well with the dynamics of a startup. Unlike a business plan that takes too long to write, and there is possibility that no one pays full attention to all details, the Lean Canvas is well designed to help with visualisation of our project idea and adjust details based on feedback.

Nákup Ze Statku - Business Canvas










Key partners  <ul style="list-style-type: none"> Owners of our students company under which the project run Our key suppliers of fruit, vegetables, dairy and meat Businesses that provide pick-up places 	Key activities  <ul style="list-style-type: none"> Searching for suppliers, new products and expanding our delivery zone Organizing and planning our logistic, participating in deliveries Marketing activities 	Value Propositions  <ul style="list-style-type: none"> Sourcing local food of superior quality to customers Distributed food will have clear origin, will be produced locally and seasonally by small farmers We are supporting primarily those suppliers who choose traditional and eco friendly ways of producing Waste reduction: reusable packaging, opportunity to sell unsold goods, that would be thrown into garbage 	Customer relationships  <ul style="list-style-type: none"> Live communication with customers via website Loyalty cards for frequent customers Involvement in our marketing activities via contests to win prizes 	Customer segments  <ul style="list-style-type: none"> Households: Typical persona if our project is mother, who usually chooses the food for entire family Eco enthusiasts: People that cares about producing food locally Young professionals: High performing people will get high quality food while saving their time <p>In future, possibly school canteens and restaurants, but that we want to focus in B2C market first</p>
Key resources  <ul style="list-style-type: none"> Delivery car Website, social media for offers, info and marketing Our know-how 		Channels  <ul style="list-style-type: none"> Website for orders and information Social media for major marketing purposes Distribution: directly to customer road or choosing pick-up points 		
Cost structure  <ul style="list-style-type: none"> Majority of our costs will be spent on purchased goods Major up-front costs are investment into website and delivery vehicle Fuel and maintenance Marketing 			Revenue Streams  <ul style="list-style-type: none"> Goods sold with margin Delivery fee/subscription for our service Packaging - deposits for reusable boxes 	

Table 2.1: Lean Canvas

(source: own elaboration)

Nákup Ze Statku is designed to distribute local and seasonal food to households, and therefore to focus solely on the B2C market. Important to mention to better specify our target market location, is that we plan to operate in Brno and close-by areas. At least from the very beginning.

Key partners are the **suppliers of goods** and **pick-up points providers**, and then my classmates who are co-founders of this project. Last key partner mentioned are members/co-owners of Godeton cooperation, the student company under the idea of this project was built, and all founders of this project are at the time of writing this thesis member of Godeton.

Our business is designed as a **mediator** between local producers and end customers, and as such is happening online - we will use all the digital communication methods to promote and sell, maintain good relationships with both customers and suppliers and create new ones. The channel that purchases will be made through a website, where goods

produced by local suppliers will be displayed. More about the sales and marketing process is in the second and third part of the thesis.

The key activity of participants on the project is to build and improve logistic systems and execute when it comes to delivering the goods. Also meeting in person with key partners is important to manage functional cooperation and maintain the quality of offered products.

The project will receive funds by getting money by putting a reasonable margin on goods sold, providing reusable packaging for deposits and by paying for door delivery option and spending on purchase of goods sold, giving share to providers of pickup points, paying for fuel & maintenance of our vehicle and expenses on marketing.

It is important to mention that because the core element of the strategic management framework for our project that is starting out is the business model, there is emphasis to create the business model in the right way. Based on business model, start-ups, such as ours, create a service, which is introduced to the market in order to gather valuable information from customers. Based on **collected data**, the business model can be improved and an adjusted type of service can be again introduced to the market (Adamczyk, 2017).



Diagram 2.1 Customer feedback loop

(source: elaborated based on Adamczyk, 2017)

Last but not least, the thing to stress out is the competition, which is not included in the business canvas, but is covered in the analytical part.

In the current phase that project is in, we are closely observing our competitors and learning from them, while the design of the supplier and logistic network is being implemented. Such things that have been observed are system of distribution and its optimization, design of webpage, and implementation of delivery option via pick-up points, that can be for some people definitely perceived as better than home delivery option.

I elaborate more on the topic of competitors in the chapter Competition research further in the analytical part of this thesis.

Project and finance

There are four shareholders, each of us is willing to invest in the project 240.000,-, and we plan to receive the invested funds back by the end of the following year, or the end of the autumn season. Margins on products and the price for transport or customer subscription should be sufficient, based on our calculations. A decision that initial funds should remain invested in the project to speed up its expansion or secure its market position can be made at the meeting of the founders.

However, this thesis does not deal in detail with the matter of financial analysis, rather focuses on achieving defined objectives using project management methods.

2.1.5 Project charter

A project charter was developed to acknowledge agreement on the need and intent of the project. It includes necessary attributes such as project team, the project description and its objectives. Measurable outputs could be considered as quantified objectives. The scope of a project and milestones are described as well, as it can be seen in the picture below.

Project Charter

Project:

Nákup Ze Statku

Sponsor:

Ondřej Dlouhý - ředitel společnosti

Project manager:

Jan Petrek - Lean manager

Project Team:

Name	% Workload
Ivo Chládek - Product specialist	30%
Tomáš Miček - Marketing specialist	20%
Jan Petrek - Project manager	40%
Jan Kollár - Delivery man	10%

Project description

Nákup Ze Statku service that is connecting local high quality food producers with the end customers, there are households located in the area of Brno. Our aspiration is to do it in a way that is in accordance with the principles of locality and seasonality.

Project objectives

By October 2022, our project aims to exceed turnover of 2.000.000,- CZK and 1000 customer acquisition, while obtaining customer feedback that is on scale from 1-5 above 4, when 5 is total satisfaction with the service.

Measurable outputs

Index	Current situation	End goal
Number of unique customers	0	1000
Total turnover	0,-	2.000.000,-
Customer satisfaction score (S, 0-5 scale)	NA	S≥4.2

Scope

Is Part of the project	Is not part of the project
Customer research Supplier analysis Proposal of logistic system Competition Analysis Proposal of marketing activities	Accounting data Physical documents Deep financial analysis

Milestones

Milestone description	Deadline
Start: Kickoff meeting of project	02/02/2021
Research and analytical part (Customers, Competition, Suppliers)	26/04/2021
Website prototype	21/06/2021
Summer harvest start	28/06/2021
End of the project	21/10/2022

Table 2.2 Project Charter

(source: Modified using www.jiribenedikt.com template)

2.2 Stakeholder analysis

For our project to be successful, it must provide value to all stakeholders, and to all the relevant individuals and groups who help determine the success or failure of our project. The Stakeholder analysis diagram will follow after a written evaluation of various stakeholder groups

After initial brainstorming and reading literature, I came up with several stakeholder groups and their representants, for which it can be assumed that they have the interest on our project success:

1. Investors:
 - Co-Founders
2. External groups - Subjects that cooperate and financially interact with our projects.
 - Suppliers
 - Customers
 - Pick-up point providers
3. Community:
 - Local host community
 - Media
4. Advisors:
 - Classmates - Gode-ton cooperative members
 - FBM Lectures and consultants

2.2.1 Co-Founders

The first group that has been analysed are Co-founders participating on the project. Subjects that invest their time and funds into the project, thus taking the risk, have presumably great interest in project success. We are 4 co-founders participating on the project, everyone focusing on some aspect of the project.

Ivo: Author of the project idea, expert on quality of goods.

Me: Focused on managing the project, communication with customers and the marketing side of the project.

Tomáš: Managing the technical and financial side of the project

Jan: Will be performing deliveries, the logistic side of the project

Every one of us has different roles and involvement in the project. It's important to mention that all members contribute financially in the same ratio, making total funds

available for the project in the amount of 960.000,- CZK, not counting possible involvement of family and friends.

2.2.2 Suppliers

Our key partners, that we are connecting with the end customers. Based on their responses, they welcome any additional distribution channel for their goods, as it contributes to their overall revenue, the more of their goods we can sell for them, usually the better. For the success of the project it is important that we choose suppliers that are reliable, can produce a sufficient volume of any kind of particular goods, and possibly if they would be able to deliver the ordered amount of goods to a particular pick-up place, or our warehouse. I devote more space to the supplier analysis further in the analytical part of this bachelor thesis.

2.2.3 Pick-Up point providers

It's the delivery option that is being considered based on the customer research. Partner companies that offer free storage capacity for release to customers during opening hours for a fee. Based on a communication with few pick-up point providers, most of them could offer storage of goods in the cold and dark with a capacity of about 10 purchases, equalling about 1 square meter, our expected maximum occupancy in the initial months. For maximum comfort to our customer, we strive to search for storage providers both in morning opening hours and evening opening hours, distributed in the centre of Brno.

2.2.4 Customers

From my experience and based on the characteristics of many customers that I have observed from mapping our competitors and brick and mortar stores, are mothers who care about nutrition the most, and not only theirs, but the whole family as well. A young or middle-aged lady living in Brno is, besides other characteristics, our perfect model customer.

If the target customer of our project should be described by personality characteristics, we imagine them as nurturing, caring, and responsible.

Rather than just writing the customer personality characteristics, is more helpful to create 3 personas that, according to my research, look like the prototype of a perfect customer for Nákup Ze Statku.

1) Nature-based mother: Based on data we collected, it's usually a woman that buys and prepares meals for the whole family. Middle aged lady that cares about the health of her family combined with an interest in a natural way of producing food is the perfect combination of our dream customer. Based on a field research that was performed, the factors that Nature-based mother persona mostly cares about are:

- A) local production, ensuring low carbon emissions
- B) High nutritional value, to put the best food to the family table
- C) Suitable price - be able to afford food, but not to ruin family budget

2) Young professionals: High performing people tend to look for ways to improve their efficiency. Delivering high quality food to their door can save them a lot of time, and supply much needed nutrients for maximum performance. We aim to acquire customers from this group by offering them fast delivery and user friendly interface - fast website and live support.

3) Eco-enthusiasts: People that care about nature more than anything else. A person representing this segment of customers, who will certainly have common values with our project.

2.2.5 FBM lecturers and consultants

Employees of the faculty where I take my studies and academics, that have their expertise in several areas of our project development, or they can provide us with useful contacts from practice.

2.2.6 Godeton members

Classmates with whom we founded a team and study the ESD program. They can also be a valuable source of ideas and contacts useful in the development of this project.

2.2.7 Local community

In contact with the community that has common features with our target group through visiting farmers' markets, or, for example, on social networks and their groups, where people from Brno and the South Moravian Region come together. They will probably be happy with our intention, and may support it, but otherwise have a negligible direct effect on it.

2.2.8 Media

local news that can positively inform about the intention and development of the project, printed weekly magazines, monthly magazines, but also newspapers in a web version for the Brno area can be a great way to promote our service.

Social media also includes social media, whether it's managed by ourselves or pages on social sites that can help us with promotion by sharing.

2.2.9 Stakeholder diagram

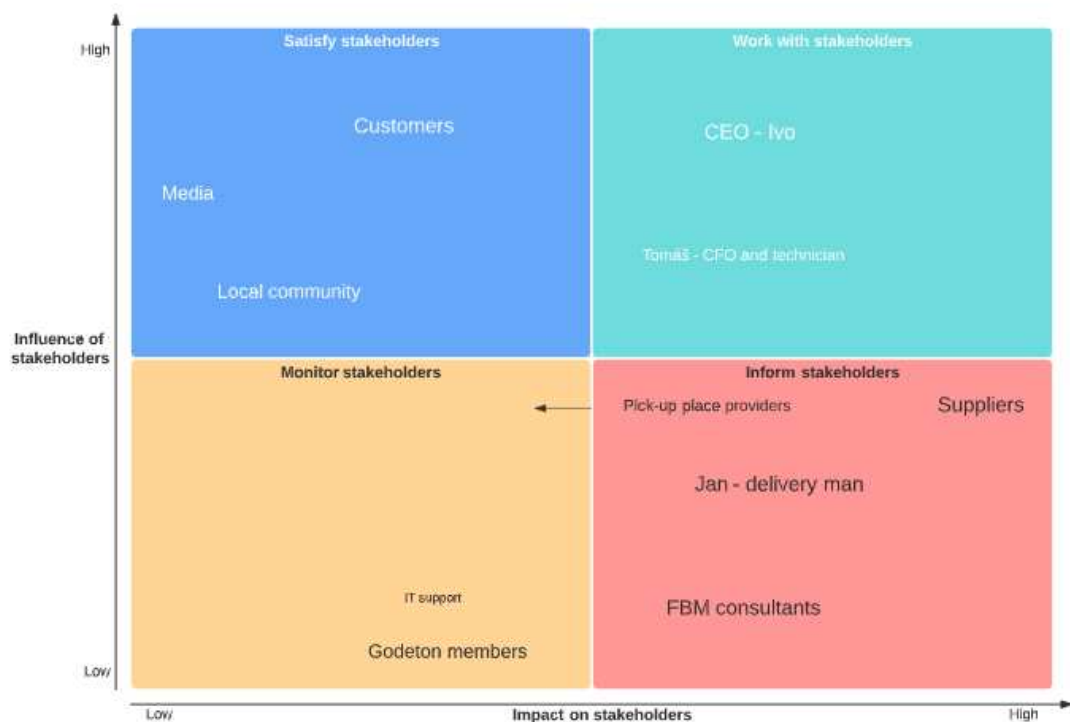


Diagram 2.2: Stakeholder diagram

(source: my own)

2.3 Customer research

Over 170 respondents filled out our online questionnaire that was posted in several social sites groups with similar interests to farming, healthy lifestyle and bio-foods.

The questionnaire was designed in a way, that helps us reveal customer demand and expectation when it comes to the food preference, expected financial resources being spent on one purchase, the expected frequency of purchases, and the expectations of delivery

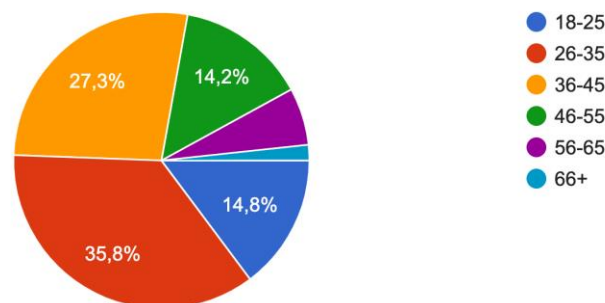
2.3.1 Demographic data

Firstly, we have collected some basic demographic details about our respondents. As we have targeted several groups of interests similar to the nature of our project on Facebook

In our online survey, we can see the majority of respondents are aged 26-35 following a group with age between 36-45. I believe that is the representation of quality samples, because people in this age usually work, so they have a source of income, not like students in the very first age-group.

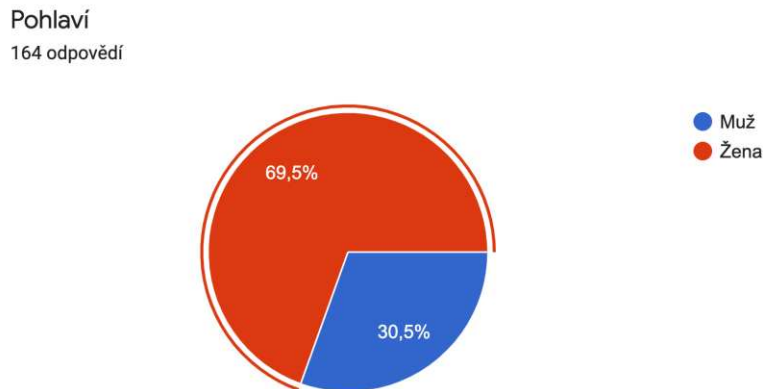
Váš věk

176 odpovědí



Graph 2.1: Graph showing percentage of respondents of particular age, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

Significantly more women than men responded to our survey. That proves our theory, that generally women are mostly the one securing a full fridge for a household and caring about the quality of them so their family has the best sources available.



Graph 2.2: Graph showing percentage of respondents of particular gender, to 15.4.2021

(source: <https://docs.google.com/forms/u/0/>, 2021)

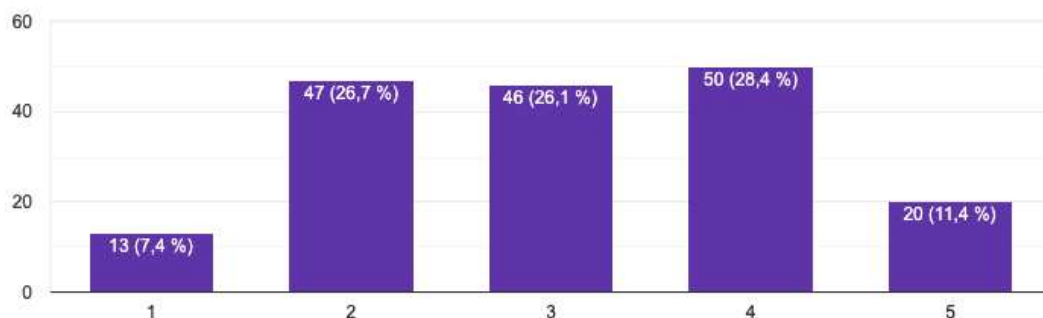
2.3.2 Validation of idea

Next part of the survey was given to the validation part. Questions of this part were targeted to validate that consumers have core problems we are solving from their perspective and whether our solution would be attractive to them.

First question was to verify whether enough people have the problem of not being happy with food from supermarkets as most common suppliers on the B2C market. Considering scale 1-5 where 1 is strongly agreed and 5 is strongly disagree. We can see that the answers are nearly equally distributed, which is really interesting. It is probably by the nature of social sites groups, where a great part of respondents clicked through into our survey.

Jste spokojeni s potravinami dostupnými v běžných obchodech?

176 odpovědí

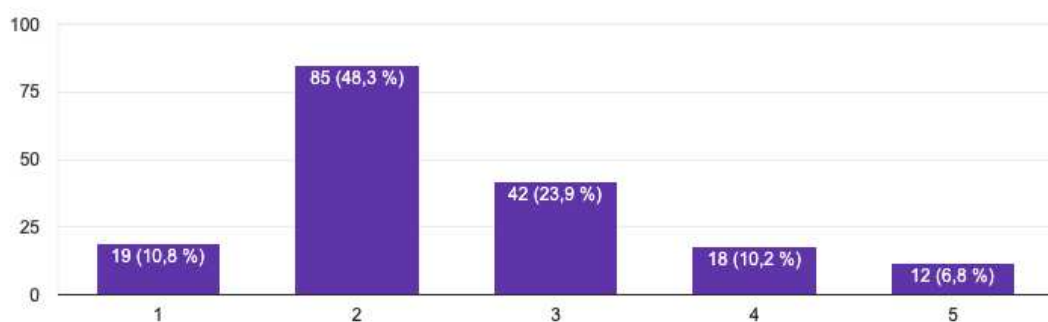


Graph 2.3: Graph showing number of respondents (un)satisfied with supermarket foods, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

Next question was designed to ask respondents whether they use other occasions to supply themselves with local and high-quality food. It had again a form of scale 1-5 where 1 was „Yes, solely“ and 5 was „No, never“. It came out that most respondents like to buy their groceries, or food in general on farmers markets, or from local producers. Considering answers of particular respondents to other questions, we could see that there is a space for such an offer as ours due to time consumption of self-supplying with local products which is another problem we want to solve.

Využíváte možnost nákupu potravin např. na farmářských trzích nebo u lokálních maloproducentů nebo vlastní produkce?

176 odpovědí



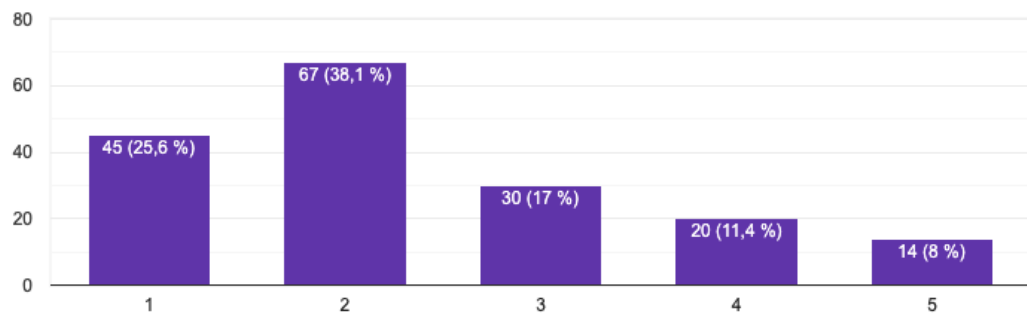
Graph 2.4: Graph showing number of respondents and how often they buy “homegrown“ food, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

Another 1-5 scale (1-strongly agree to 5-strongly disagree) question was made-up to find

out whether our service would be an interesting solution for our respondents. As can be seen from the data collected, the graph looks very similar to the answers from the previous question. Less respondents went for the second option representing “somewhat agree”, so the column decreased, at the expense of the first one. And that's good news for our project.

Využili byste možnosti objednat si šetrně pěstované/vyráběné lokální produkty na svoji adresu?

176 odpovědí



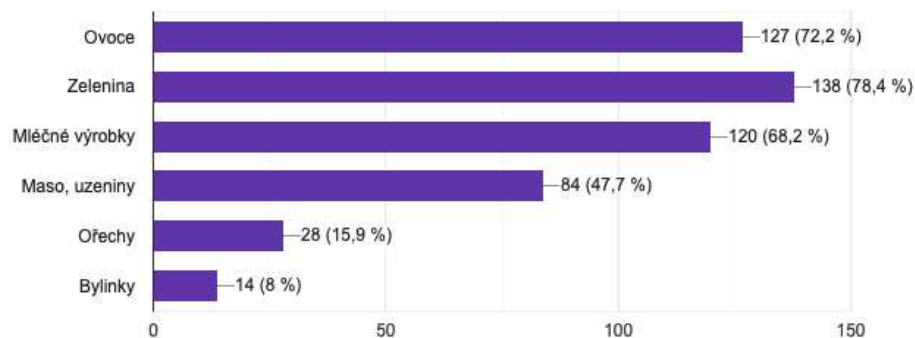
Graph 2.5: Graph showing numbers of respondents sorted by inclination to use our delivery service, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

2.3.3 Product segments preference

Next, the respondents were asked what kind of locally grown and harvested food they are interested in. This question was marked as mandatory to answer, so we can collect useful data that can help us to choose the right kind of suppliers we will cooperate with. Options in this question offered fruits and vegetables, dairy products, meat, nuts and herbs, to cover up the majority of goods that the orchards, farms and barns can offer.

O jaké lokálně pěstované produkty byste měl/a zájem?

176 odpovědí



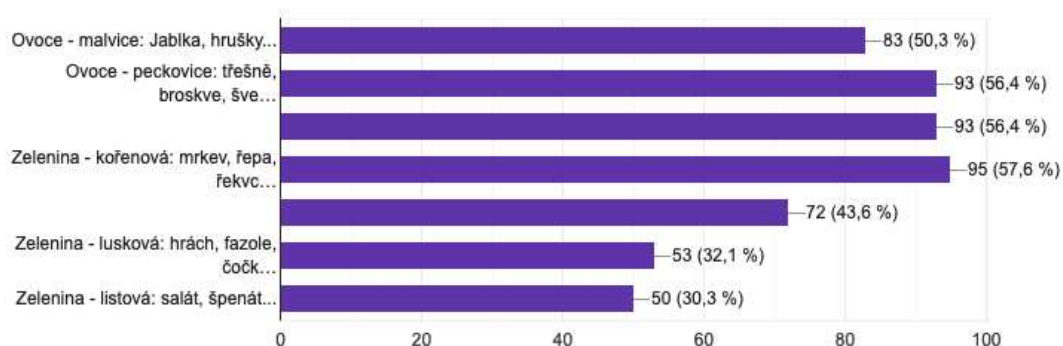
Graph 2.6: Graph showing the preference of food segments, to 15.4.2021 (source:

<https://docs.google.com/forms/u/0/>, 2021)

After this question, I continued to seek what kind of fruits/vegetables, available in temperate climate conditions, are customers looking for the most. I believe that the data outputs will be very important when securing the supply of those kinds of groceries with a particular supplier.

Jaké druhy ovoce/zeleniny byste objednávali nejraději?

165 odpovědí



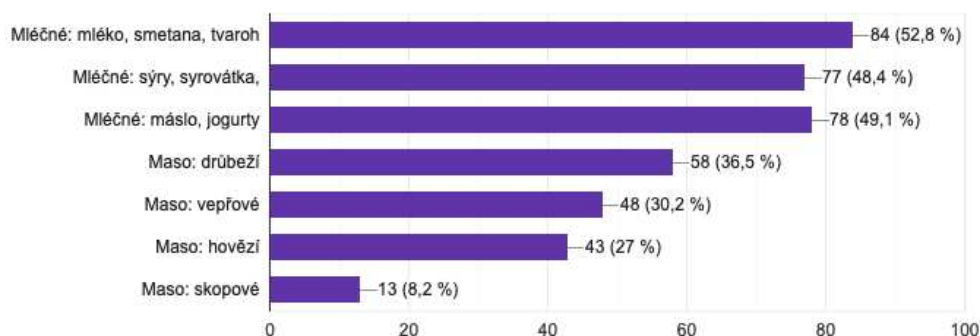
Graph 2.7: Graph showing the fruits and vegetables preference, to 15.4.2021 (source:

<https://docs.google.com/forms/u/0/>, 2021)

And similarly, the respondents were asked very similar additional questions to find out in what kind of dairy products and meat are they interested in in particular.

Jaké druhy potravin byste objednávali nejraději?

159 odpovědí



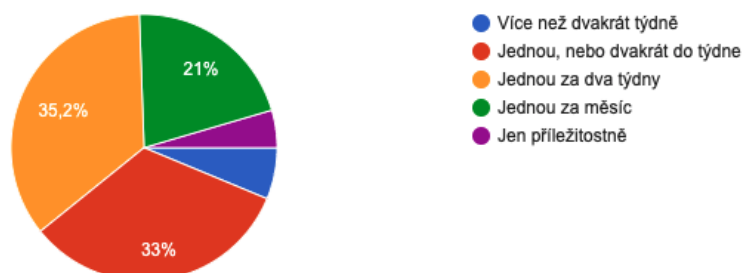
Graph 2.8: Graph showing the dairy and meat preference, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

2.3.4 Frequency and volume of purchases

Following with the expected frequency of orders, where the most favourite option (35%) answered “One purchase in two weeks” followed with a 33% frequency for “One, or two times per week”.

Jak často byste využívali nákupu od lokálních producentů, s doručením až k vašim dveřím?

176 odpovědí

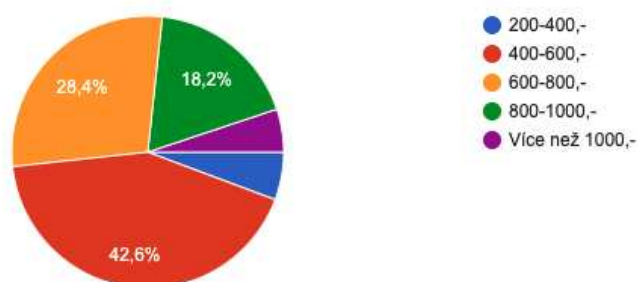


Graph 2.9: Graph showing the expected frequency of purchases, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

After that, I wanted to know more about the expected average price per one order, and asked the respondents by choosing from five options, that should cover the scale for the amount spent in a reasonable manner.

V jakém cenovém rozmezí byste nakupovali lokální potraviny v jednom nákupu?

176 odpovědí



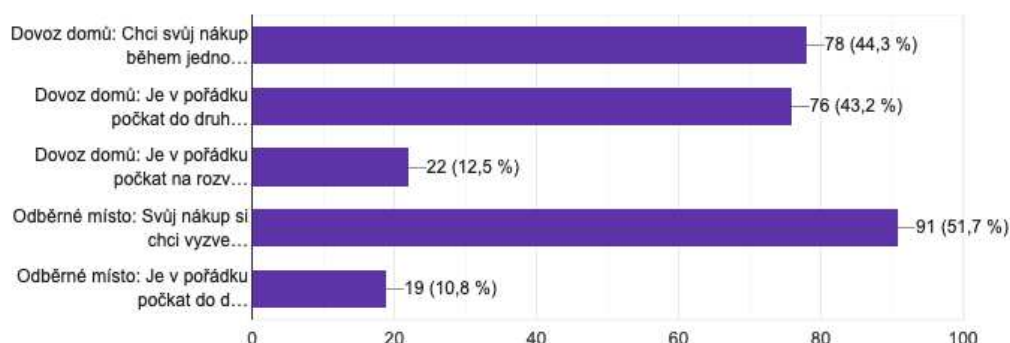
Graph 2.10: Graph showing the expected amount spent per one purchase, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

2.3.5 Delivery expectations

After the data about frequency and the expected amount spent per one order were in, the next important answers I was looking for were the expectations about our core service, the delivery system. The customers could choose more answers, to express their expectation about both delivery ways.

Kromě dovozu nákupu až před vaše dveře plánujeme také síť odběrných míst, ať si svůj nákup můžete vyzvednout, kdy se vám to lépe hodí. Jak byste si nejraději převzali svůj nákup?

176 odpovědí



Graph 2.11: Graph showing the potential customer expectations for their order to be delivered, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

The google forms for some reason doesn't show the whole description of almost every answer option, even when magnified, so let me show here a full description of the options for better understanding the respondents expectations.

1. option: **Delivery to the customer door** - wants the order to be delivered on the same day as the order was placed. (44.3%)
2. option: **Delivery to the customer door** - respondent is willing to wait for the delivery to the next day. (43.2%)
3. option: **Delivery to the customer door** - respondent is willing to accept one particular delivery day, that all orders would be distributed among the customers. (12.5%)
4. option: **Pick up place** - respondent wants to pick up the ordered grocery on the same day as the order was placed (51.7%)
5. option: **Pick up place** - respondent is willing to wait for the order to be delivered to the pick up place to the next day. (10.8%)

As we can see, the majority of respondents require the purchased goods to be delivered

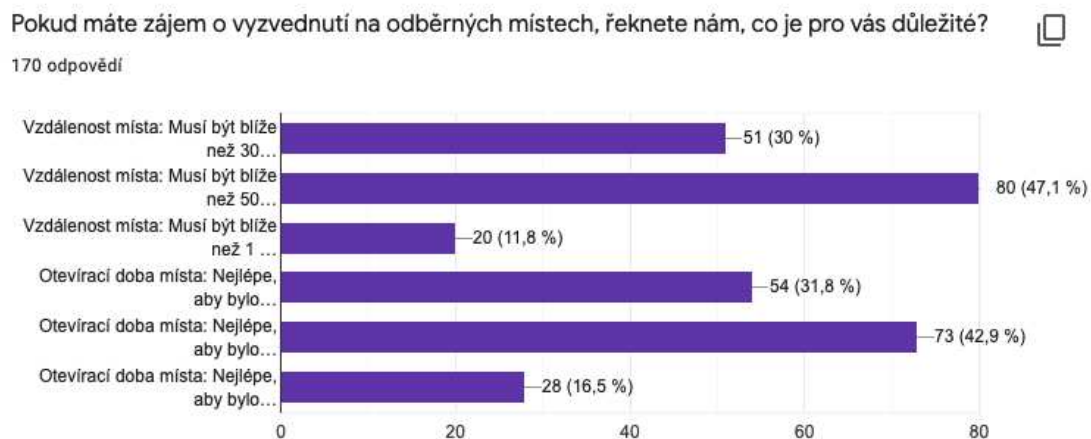
within the same day as were purchased. The data aren't really surprising, because people don't usually plan purchasing groceries a few days ahead, given the insight I have that almost 80% of food purchased through Rohlik.cz, leader in the groceries online industry, are ordered to be delivered within the same day. That means a challenge to our logistic systems, that I will focus on later in this thesis.

2.3.6 Pick up place preference

Last close ended question was focused on the preferred option to accept the delivery from pick up points, and to find out the importance of 2 factors that potential customers can concern about the most:

- a) The distance from their home
- b) Opening hours of the pick up point.

The customers could choose more answers, to express their expectation about the possibility of collecting their delivery from pick-up points.



Graph 2.12: Graph showing the potential customer expectations for their order to be accepted from the pick up points, to 15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

Again, The google forms doesn't show the whole description of almost every answer option, even when magnified, so please, check the full description of the options for better understanding the respondents expectations.

1. option: **Distance of the pick-up point:** The pick-up point must be at least 300 meters close to my address. (30%)
2. option: **Distance of the pick-up point:** The pick-up point must be at least 500 meters close to my address. (47,1%)
3. option: **Distance of the pick-up point:** It's alright when the pick-up point is located 1 kilometer from my address. (11,8%)
4. option: **Opening hours of the pick-up point:** The pick-up point should be able to allow me to access my order in the morning, starting 7am. (31,8%)
5. option: **Opening hours of the pick-up point:** The pick-up point should be able to allow me to access my order during the afternoon, at least till 5pm. (42,9%)
6. option: **Opening hours of the pick-up point:** The pick-up point should be able to allow me to access my order in the evening, at least till 8pm. (16,5%)

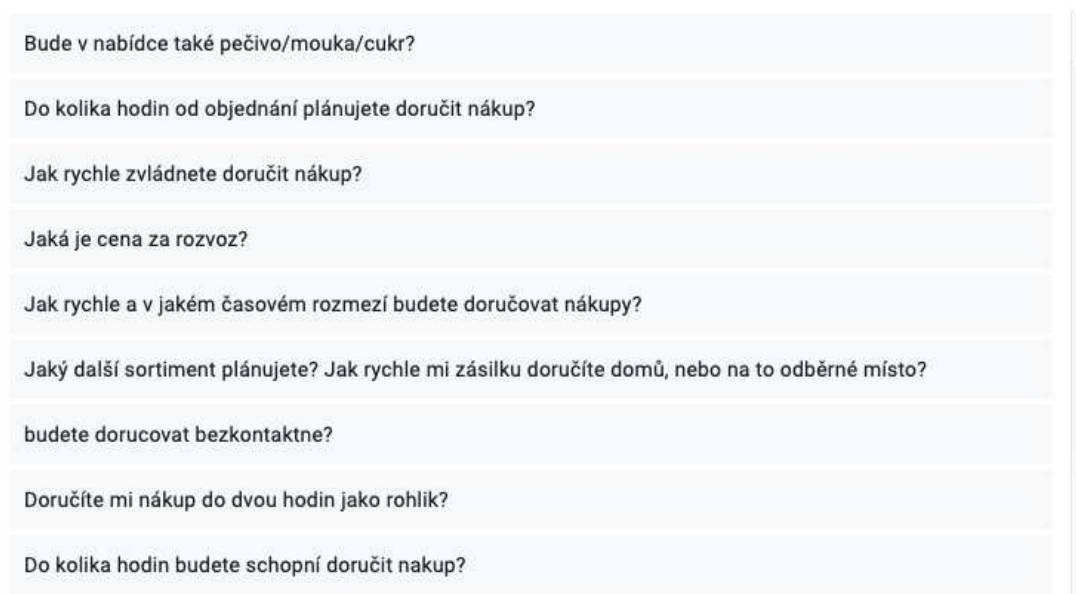
From the collected data we can see that a lot of respondents are actually interested in **accessing their deliveries at the pick-up points.** This is great news, because it can save us a lot of time, by delivering multiple orders to one pick up point, and allowing the customers to pick them up in the preferred time frame. Based on the obtained data we will look for the cooperating businesses that could offer us storage at least till 5pm, and at the best, starting at 7am.

2.3.7 Expectations, recommendations

The last question was open ended, encouraging customers to share their expectations, recommendations, and ask their questions.

Je něco, na co jsme se nezeptali, a je to pro vás důležité?

13 odpovědí



The image shows a vertical list of 13 questions from a Google Form. The questions are in Czech and relate to delivery services. The questions are as follows:

- Bude v nabídce také pečivo/mouka/cukr?
- Do kolika hodin od objednání plánujete doručit nákup?
- Jak rychle zvládnete doručit nákup?
- Jaká je cena za rozvoz?
- Jak rychle a v jakém časovém rozmezí budete doručovat nákupy?
- Jaký další sortiment plánujete? Jak rychle mi zásilku doručíte domů, nebo na to odběrné místo?
- budete doručovat bezkontaktně?
- Doručíte mi nákup do dvou hodin jako rohlík?
- Do kolika hodin budete schopní doručit nákup?

Picture 2.x: The chart showing the respondents questions and recommendations, to
15.4.2021 (source: <https://docs.google.com/forms/u/0/>, 2021)

Some respondents asked about a wider assortment portfolio, but the majority of them asked about the delivery, mainly of its speed, but also price or possibility to make the delivery contactless.

For those who were interested in our project we have left an open end-question to collect some email addresses for further questioning. We have gathered 87 email addresses from early-adopters who are further helping us with their opinions.

Based on the answers in this questionnaire, and personal experience and acquaintance with regular customers supporting local farmers and local food buyers, we defined our target audience in the next section.

2.4 Competition research

The trend of rising e-commerce and even shopping groceries online, has been speeded up by the current situation concerning Covid-19. Delivery services are one of the industries that thrives the most.

Namely, our main competitor is Scuk.cz, Svět Bedýnek, Rohlík.cz and Košík, Badeko, Farmbox and other “bedýnky“ businesses that operates in Brno. Other competitors that are monitored are Fresh Bedýnky, Z farmy domů and Nákup z Farmy.

Due to the scope of content that would be given if every of the competitors was detailly analysed, I will focus on the competitive mapping of key factors, such as assortment, locality, price and time of delivery. A detailed analysis of the leader of the groceries online industry, Rohlik.cz, will be provided after the initial Competitive position map section.

2.4.1 Competitive positional mapping

I used positional mapping to describe and figure out the key aspects, when I discussed about competition research with colleagues and friends, and put ourselves to the customer's shoes to made a research about following companies

- Rohlík
- Košík
- Scuk
- Z Farmy domů
- Svět bedýnek
- Badeko
- Nákup z farmy

and attributes, that were which have been identified as important by customers and therefore researched, such as:

- Price
- Delivery system
- Delivery price
- Assortment - type
- Assortment - origin
- Social media

The first pair of attributes represents the costs barrier for a customer. In the position map we can see distribution of brands on the market and their price level in combination with the price for delivery. Most of the brands offer free delivery, **based on a minimal order price**, that needs to be surpassed so the customer is eligible for free delivery. Rohlík offers free delivery for orders after reaching 1000,- with minimal order 500,- , whereas Košík delivers for free after surpassing 1200,- with minimal order of 800,-. Both of those companies offer lower price for minimal order, or completely removing it, simultaneously with delivering for free for lower price per order, when the customer is subscribed to their service, and paying a few hundred crowns per month. Other companies take a very similar approach, except Scuk, that is considerably more expensive in terms of price paid for goods, but for free when it comes on delivery.

		Price for delivery		
		Free	depending on the order value	paid
Price for goods	High			
	Medium		  	
	Low		 	

Diagram 2.3: Competitive map - Price for delivery/Price for goods

(source: own elaboration)

The next pair of attributes that have been compared shows the relation between the form of delivery and its price. As you can see, the approach to providing delivery services quite differs. How Rohlík and Košík deals with minimal orders and free delivery options was described in the last paragraph, I will add the information that in Rohlík the price also differs based on the time frame the customer wants to have his goods delivered, from 149,- if expressly till 2 hours since the order was placed, to 19,- if the customer is willing

to wait till the the specific our in the afternoon, when some deliveries are planned around the address that he provided at the first place. Building such a system that Rohlík has is very impressive, I'll describe the approach of this company later in the analysis. For example, Svět bedýnek offers free delivery if the order amount surpassed 2000,-, otherwise is the price 99,-

		Price for delivery		
		Free	depending on the order value	paid
Form of delivery	To the customer Door		  	
	Mixed		 	
	Pick-Up locations			

Diagram 2.4: Competitive map - Delivery price/Delivery options

(source: own elaboration)

In the next position map, the assortment variety that our competitors offer can be seen. As described, it is spread across the map. Our tactic is to niche down and offer only seasonal and local products, as seen in the down left corner.

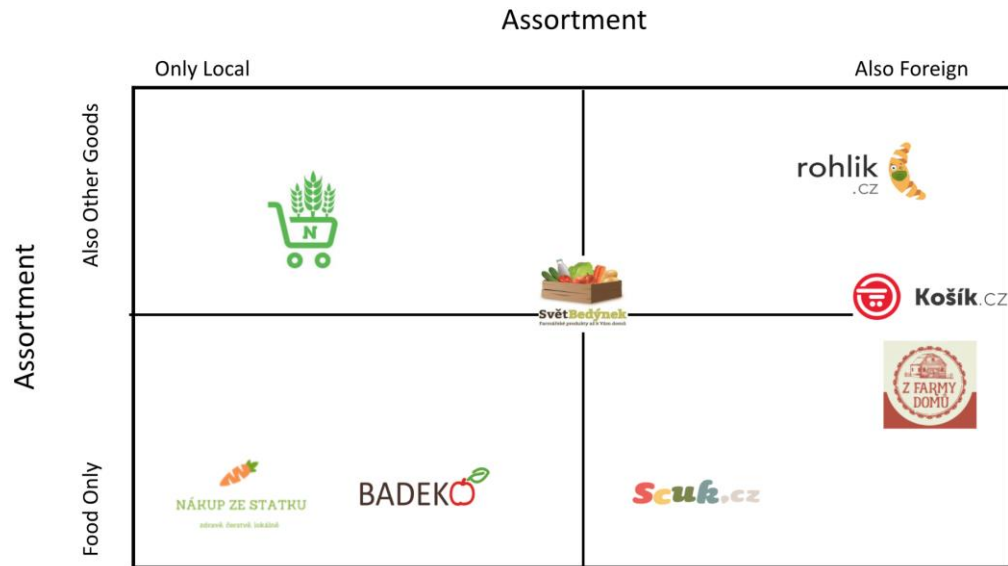


Diagram 2.5: Competitive map - Locality/type of assortment

(source: own elaboration)

The last position map shows the social media channels, and compares also their engagement. I performed the research on Facebook, Instagram, looked up even for reviews on google, and positioned the competitors based on the frequency of their posts, engaging with their potential customers in comments, and the overall engagement that their activity had from the used side of the particular site. I need to stress out that this is not the representation of how each company is performing their marketing activities, because I do not have access to data about their paid promotions or particular campaigns, however it shows the community that actively responds to posts and engages in other ways, that shows the company profile in a positive light.

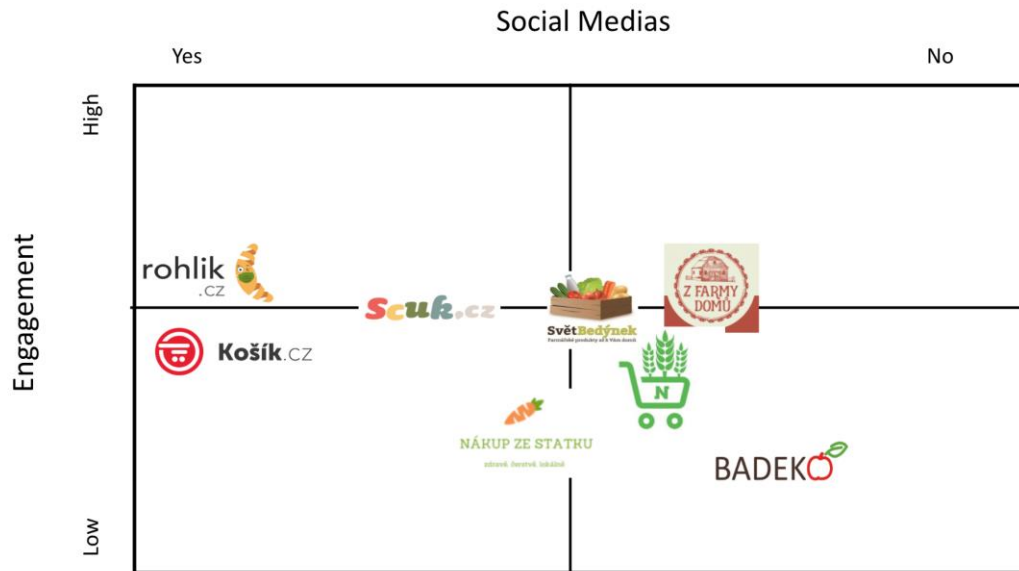


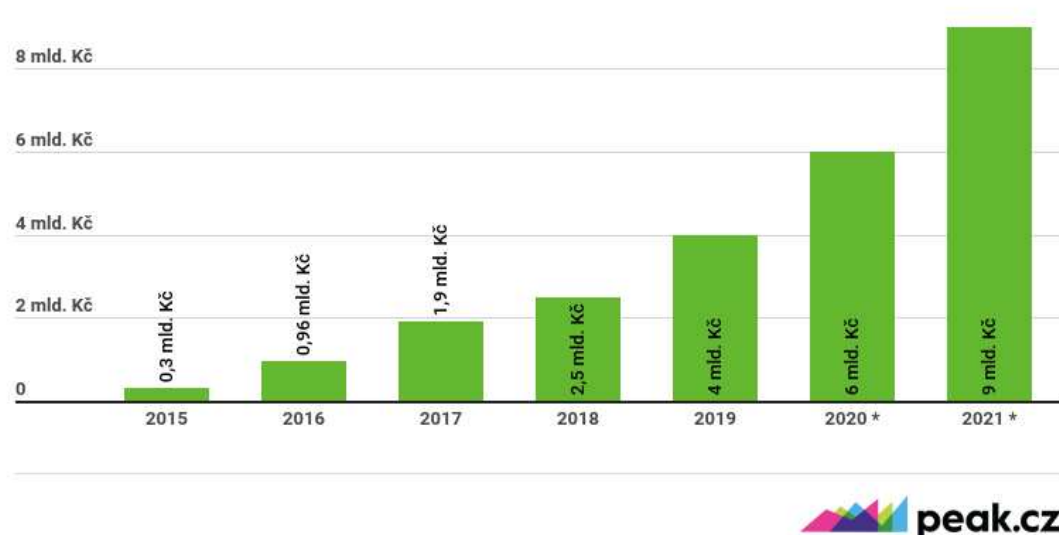
Diagram 2.6: Competitive map - Social Media/Engagement

(source: own elaboration)

Conclusion: The competitive position map technique showed the coverage of key attributes relevant to the market by our competitors. This is very helpful for realization of the competitors weaknesses and strengths. Based on the information from the customer research it is evident that customers are interested in both deliveries and pick-up points, so we aspire to offer both variants, and differentiate from our competitor by niching down to sourcing only local and seasonal products, and strive to build community on social media by creating engaging posts and sharing valuable content.

2.4.2 Rohlik.cz

The biggest local company focused on providing food online is Rohlik.cz, and because it is useful to learn from the best, we can make analysis of current situation from a logistic and digital marketing & communication point of view from Rohlik.cz. The strong position of the Rohlík.cz in the food delivery market is shown by the chart showing its turnover.



Picture 2.2: Rohlík.cz revenue increase

(source: www.peak.cz, screenshot)

2.4.2.1 The Logistic part

Based on a combination of mystery shopping, online and interviews with Rohlík.cz employee, I performed an analysis of the logistic part of the company. Due to information that I managed to get access to, I got insight into the processes of delivery to the end customer and certain warehouse operations. How the operators in Rohlík.cz chooses their suppliers, plans the volume of orders for certain types of goods, etc., are internal information of the company, and therefore wasn't shared with me.

Rohlík.cz not only offers a delivery within the same day, but for the majority of the time even till 2 hours, since the order was placed. This is an option that is very convenient for the end customer, but requires a great amount of flexibility and up-front costs on the side of a business, and I'll explain why.

The biggest grocery online shop in our country has to actually purchase all the goods upfront, and have it ready in its warehouse, in Brno Líšeň. Last year in September the company moved into that new warehouse with an area of 8000 square meters.

“The location was chosen strategically, so the complex offers the required accessibility to the city centre and thus the optimal prerequisite for fast and timely delivery of purchases to the customers.” (A. Malucha, Logistika ihned, 2020)

As described by the Chief Operating Officer Aleš Malucha. In the building, is Rohlik.cz not only storing the goods from its suppliers, it also serves as a bakery or a pharmacy warehouse. This system saves a lot of time, so the goods can be packed into one delivery quicker and be delivered to the customer in less than 2 hours.

Warehouse employees receive and store shipments, sort them for individual purchases, which are then handled by couriers, in the order in which they arrived at the warehouse, and the length of their waiting is related to the number of orders. The system assigns up to 12 orders to one courier, mainly on the basis of the close distance of individual orders, which they load into their delivery car and are good to go deliver the goods to the customers.



Picture 2.3: Example of delivery car that rohlik.cz uses

(source: my own photo)

I've observed that the majority of Rohlik.cz couriers perform deliveries in the Volkswagen Caddy or Fiat Doblo cars, and asked the Rohlik.cz courier more about the delivery process. This was his response: *“Those cars are very practical for this type of delivery. A volume of 5.4 cubic meters is just enough to fit in a sufficient number of deliveries, also a time frame to deliver all the 12 deliveries with possibly chilled and*

frozen food in perfect condition. These cars are not equipped with a refrigerator or freezer, only a sturdy polystyrene box that insulates the air, thus slowing down the exchange of heat with the environment. The smaller dimensions of the car than, for example, vans, which are used to deliver goods to supermarkets, will certainly show their advantage when delivering orders in places where there is less handling space.”
(Rohlík.cz Courier, 2020).

Below are provided pictures of packaging that were taken after actual delivery of Rohlík. They are choosing an eco-friendly way of delivering in paper bags, and even using paper sacks for fruits and vegetables, instead of microtene. As you can see, they printed out contact info to their customer support directly to the packaging, so the customer is ensured that if anything is wrong with the delivery, it will be sorted out. As a regular user of Rohlík.cz, I can say that the response of their customer support is very fast and refunds are generous, twice the amount of the goods that are missing or damaged.



Picture 2.4: Rohlík.cz eco packaging

(source: my own photo)

2.4.2.2 Marketing and communication

To observe the tactics and system the most successful competitor uses can be very helpful for evaluation and possible further adoption. Promotion of our service is a part of a recommendation part of this thesis, so I believe focusing on communication tools of Rohlik.cz can provide valuable tips.

Email

There are several ways how Rohlik.cz uses emails to communicate with customers, either for obtaining useful feedback or to inform customers about their orders.

1. Confirmation emails: Immediately after paying for the goods, the customer will receive the confirmation email with all the items that have been purchased, including the price and the delivery time. This applies even for further purchases of goods that are added to already scheduled delivery. This does not replace the receipt, proper receipt can be found inside one of the delivery bags.

2. Order evaluation: After the courier confirms that the customer took over the delivery, the system will automatically send the email, where the customer is asked to rate his shopping experience, in multiple aspects. There is a possibility to give feedback on courier behaviour, or for example send a message about delivered goods.

3. Seasonal offers and promotions: Once the business has a customer's email address, it is the type of traffic they don't have to pay a single crown to promote its offers. Rohlik.cz sends seasonal offers concerning Easter, informing about cooperation with farmers and seasonal deals and so on. Much better alternative than leaflets in my opinion, but it depends on the target audience, of course.

SMS

Again, the type of traffic the business doesn't have to pay a single crown to promote itself. I have received a few promotional offers from Rohlik, offering discount code (when the previous purchase was a few weeks ago), or a kind reminder that the situation about coronavirus is still present, and online shopping is a safer alternative, beside the convenience.

Generally, I perceive that SMS marketing is a great idea - there is a high message-opening rate, and when offering a discount, a lot of customers will react, for sure.

Instagram

Communication via Stories/highlights, and posts. Promoting goods related to date/events - St. Martin wine, goose. Focused on promoting their own brand Bez Kompromisu. In highlights could be found recipes, where is added a swipe-up link for a certain dish/meal, and even a package of goods that can be purchased in order to prepare it.

Also, there is a section with already cooked food, ready to eat dishes, that Rohlik.cz bought from suppliers/restaurants upfront and is offering to customers.

Most relevant section to our project is their “Freshly Harvested” highlight, where it promotes seasonal vegetables such as Asparagus, kale, or tomatoes, and a short story about growing the plant, important benefits and tips for meals. Also, there is an added swipe-up link for purchase.

They've managed to get over 30 thousand followers and decent engagement on their posts so far.

Facebook

Facebook page is another important social media that Rohlik.cz uses to inform customers about updates and special occasions. You can find there recipes, updates about Corona situation, charity projects (food collection with hashtag #sbirkujeme), and even awards and successes, that Rohlik.cz as a company has achieved - latest one is the most trusted online-grocery store.

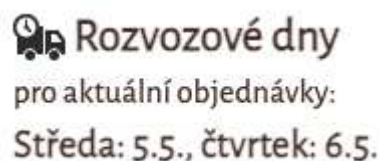
Their page follows almost 90 thousand accounts, but their engagement is very low, probably the fact that Fb cuts down the reach of pages that don't promote their posts specifically. Even though there is discussion under many posts, and every post gets a few hundred likes, so it's at least some attention.

2.4.3 Research of delivery system

To better understand the market situation, I researched competitors of our project to check their delivery capabilities. I focused on delivery options - whether they deliver to pick-up points or directly to the customer door, their flexibility in choosing the day of delivery, eventually hours.

2.4.3.1 Badeko

I started with researching our competitor Badeko. Right after accessing their website, they inform their customers about delivery days for orders placed to the current date. At the time of writing this section the current day was Sunday.



Picture 2.5: Badeko delivery disclaimer

(source: www.badeko.cz, screenshot)

After logging in and performing a test order, it came up that they offer to the customer in particular location delivery in evening hours On Wednesday for free, or on Thursday for a small fee, in a fixed 2 hour time frame. They also offer the possibility of collecting the goods in person on 2 addresses, possibly their warehouse and one cooperating store.

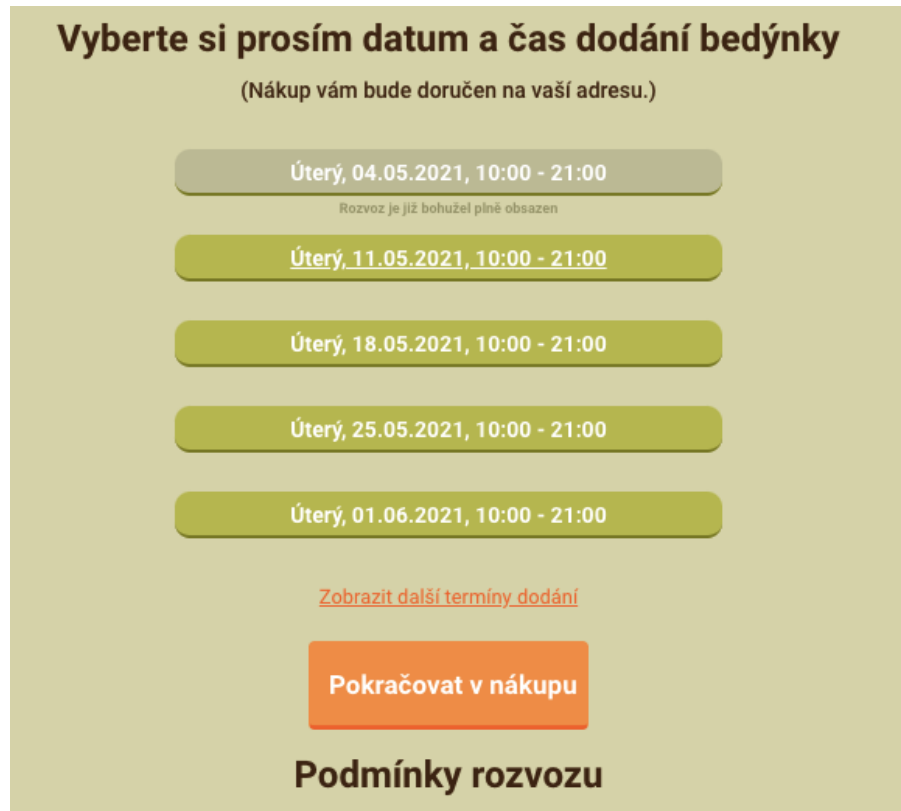


Picture 2.6: Badeko delivery options

(source: www.badeko.cz, screenshot)

2.4.3.2 Svět bedýnek

Next competitor that was researched for the delivery possibilities was Svět Bedýnek. After accessing the website and making a test order to see the delivery options, I've discovered that they offer deliveries only once per week, on Thursdays, and with no specific time frame, but only very general 10:00-21:00.



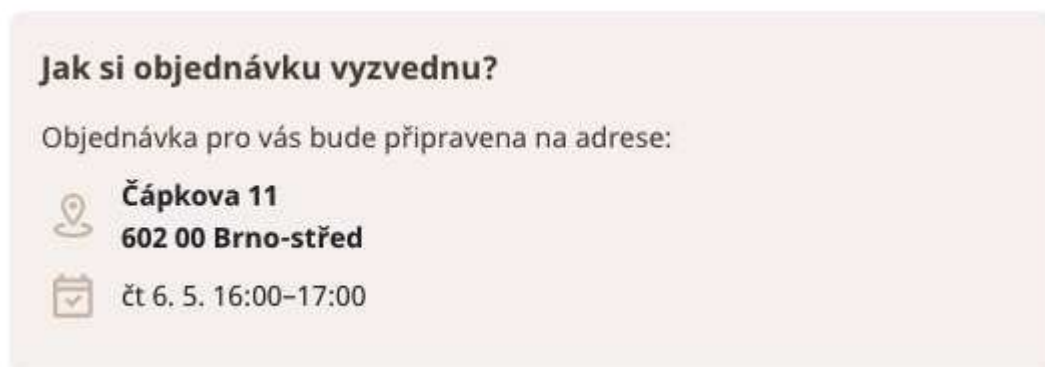
The screenshot shows a web form titled "Vyberte si prosím datum a čas dodání bedýnky" (Please select the date and time of delivery of the basket). Below the title is a note: "(Nákup vám bude doručen na vaší adresu.)" (Purchase will be delivered to your address.). There are five buttons representing delivery dates and times, all from 10:00 to 21:00 on Thursdays: "Úterý, 04.05.2021, 10:00 - 21:00", "Úterý, 11.05.2021, 10:00 - 21:00", "Úterý, 18.05.2021, 10:00 - 21:00", "Úterý, 25.05.2021, 10:00 - 21:00", and "Úterý, 01.06.2021, 10:00 - 21:00". The first button is greyed out with the text "Rozvoz je již bohužel plně obsazen" (Delivery is already fully booked). Below the buttons is a link "Zobrazit další termíny dodání" (Show more delivery terms) and an orange button "Pokračovat v nákupu" (Continue shopping). At the bottom is the heading "Podmínky rozvozu" (Delivery conditions).

Picture 2.7: Svět bedýnek test order

(source: www.svetbedynek.cz, screenshot)

2.4.3.3 Scuk.cz

Next competitor that has been researched was Scuk. This company operates differently than others food delivery businesses. They are just connecting local farmers with the end customer, and let the customer order goods to the particular pick-up location, where it's delivered by Scuk, or farmer himself. After performing a test order, and choosing a pick-up place, it offered only one delivery day and only one hour time-frame.

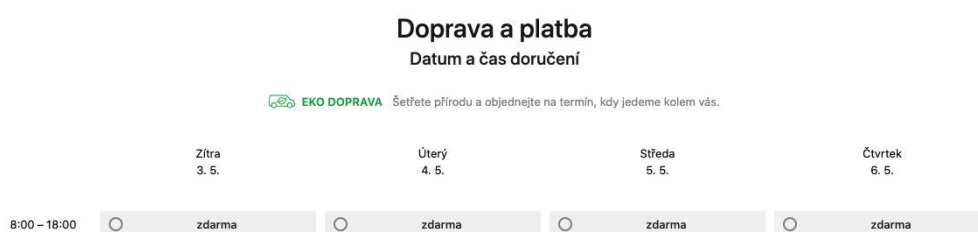


Picture 2.8: Scuk test order

(source: www.scuk.cz, screenshot)

2.4.3.4 Košík.cz

Following a research of Košík, a company that sells a wide range of products, and has considerably higher market share than previous companies. After filling out registration on their website, and making a test order, the delivery options they offer are every day, with no specific time frame, just from 8am to 6pm.

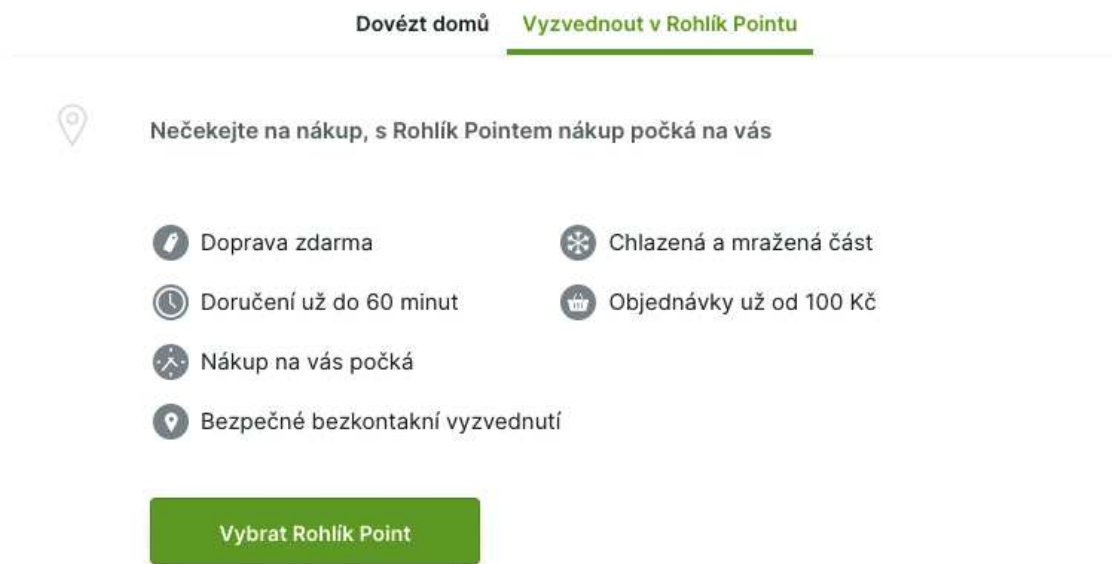


Picture 2.9: Košík.cz delivery flexibility

(source: www.kosik.cz, screenshot)

2.4.3.5 Rohlík.cz

In the case of Rohlík, the food, and in general goods online, it is more to discover. They offer both the possibility to have the goods delivered to your address, and to pick-it up yourself in the Rohlík point. After discovering their coverage of Brno area by Rohlík points, I've found out that this option is developed mainly in Prague, where they offer 23 Rohlík points, whereas only 1 in Brno, in the city district of Židenice



Picture 2.10: Rohlík.cz delivery options

(source: www.rohlik.cz, screenshot)

The higher comfort is to have the goods delivered to the customer door, and here it is where Rohlík really dominates. Their delivery capabilities are flexible enough to deliver the order within 2 hours. Beside that, they operate from 7am to 11pm, and the customer can even choose the 15 minute time frame, to have his goods delivered. If it happens that their delivery capabilities are fully occupied by customers that ordered sooner that day, customer has the option to book a purchase in 3 consecutive days, or even write to the support and check the delivery options for the very same day, if it happens that additional operational capabilities were called for fulfilling the orders.

	DNES	ZÍTRA	ÚTERÝ	STŘEDA
	<div> <div>Expres: Do 2 hodin 0 Kč Zbývá 5%</div> <div>Tento měsíc ještě 3x expres zdarma.</div> </div>			
17 h	Kdykoliv mezi 17:00–18:00 0 Kč	17:15–17:30 0 Kč	17:30–17:45 0 Kč	17:45–18:00 0 Kč
18 h	Kdykoliv mezi 18:00–19:00 0 Kč	18:00–18:15 0 Kč	18:15–18:30 0 Kč	18:30–18:45 0 Kč
19 h	Kdykoliv mezi 19:00–20:00 0 Kč	19:00–19:15 0 Kč	19:15–19:30 0 Kč	19:30–19:45 0 Kč
20 h	Kdykoliv mezi 20:00–21:00 0 Kč	20:00–20:15 0 Kč	20:15–20:30 0 Kč	20:30–20:45 0 Kč
21 h	Kdykoliv mezi 21:00–22:00 0 Kč	21:00–21:15 0 Kč	21:15–21:30 0 Kč	21:30–21:45 0 Kč

Picture 2.11: Rohlík.cz delivery flexibility

(source: www.rohlik.cz, screenshot)

With those delivery options, the pick-up points are maybe redundant, because almost everyone can choose the time that suits him to receive the order.

2.4.3.6 Delivery Alternative

To consider the option of cargo-bike deliveries we can use the data and experience shared by Švihé synku couriers, our friends. Švihé Synku is a B2B company that provides courier services to companies like DHL, PPL, Alza and some more. The reason why this companies chooses to use the Švihé Synku service is their specialization in flexibility, they use for deliveries Electro-based cargo bikes. The purchase of the fleet of electro-based cargo bikes is rather costly, one piece costs about 120.000,- CZK, without the insurance.

Considering the costs associated with operating the vehicle, about 400,-CZK/month to cover the insurance, and then the amount of consumed electricity depends on the length

of usage and the volume of electricity that courier use, when considered he participates in the drive with his own physical capabilities, well let's consider 500,- CZK/month.

For the up-front and operational costs described above the couriers equipped with cargo bikes can deliver up to 15 deliveries per hour in otherwise hardly accessible and difficult-to-move city centre, based on the distance between deliveries. The volume of goods transported vary between 1 cubic meter to 5 cubic meters, depending on the type of bike. The latter one is more difficult to handle, but with the proper balance of the cargo inside and properly trained courier it might be a competitive advantage worth considering.

In conclusion, these cargo bikes are safe, they meet all legislative and regulatory requirements for safe operation. However, there is a great portion of time involved in training the courier, because the cargo-bike is controlled significantly differently than the standard bike

2.5 Managing the project

2.5.1 Gantt chart

In the Gantt diagram below, I summarized the majority of planned processes in our project during this year.

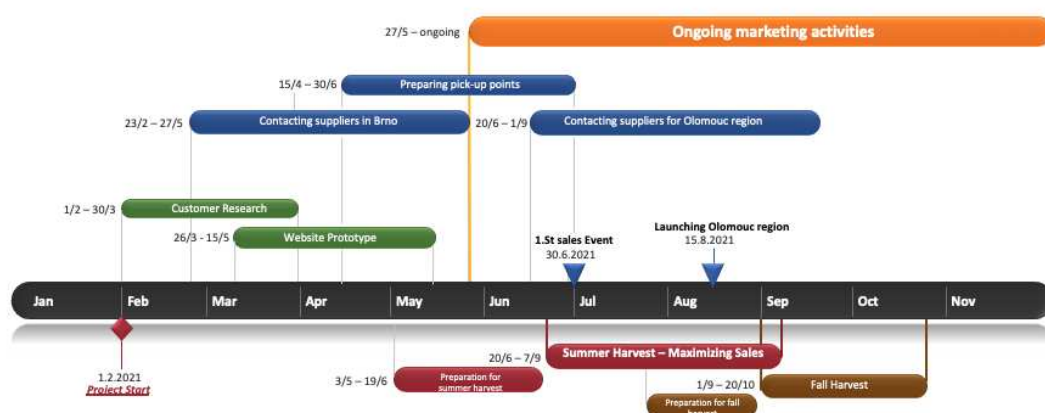


Diagram 2.7: Gantt chart of the project

(source: Own creation using a template, template: <https://templates.office.com/>)

Milestones such as the start of the project, the 1st sales event or the planned start of the service in the Olomouc Region are marked by a **triangle**. The individual processes are recorded on a timeline, but also marked with a start and end date scheduled for each task. The selected colour indicates tasks falling into certain categories, eg. blue colour indicates tasks related to the logistics part of the project.

The second diagram is **more detailed**, focusing only on the first half of this year, and examines in more detail, for example, the topic of **supplier selection**, divided into consecutive processes.

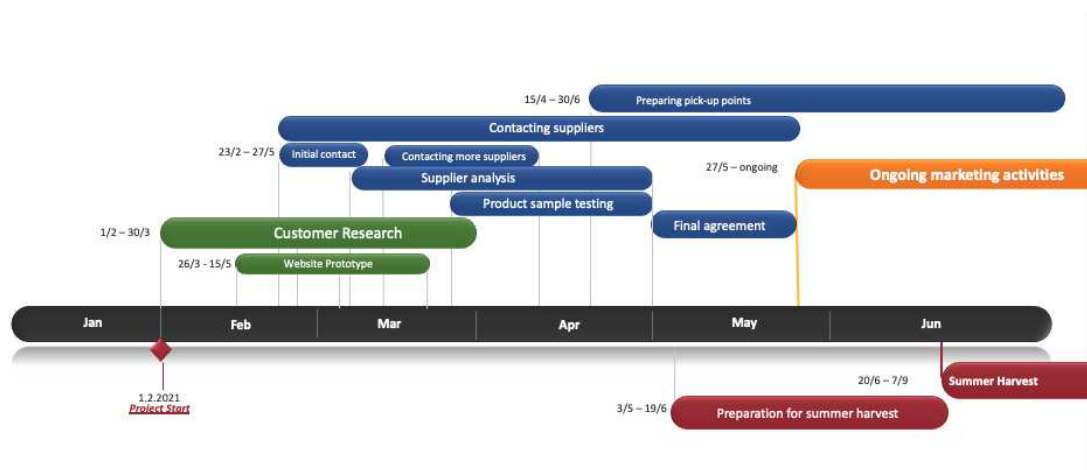


Diagram 2.8: More detailed Gantt chart

(source: Own creation using a template, template: <https://templates.office.com/>)

Displaying such processes in more detail usually leads to easier implementation and subsequent evaluation of the partial tasks of each process. Having each phase have a set time frame can help prevent any delay in the task. Due to lack of space, certain tasks are displayed below the timeline.

2.5.2 Network Diagram

The network diagram shows the connection between the individual tasks, and thus making evident the critical points that could endanger the operation of the project.

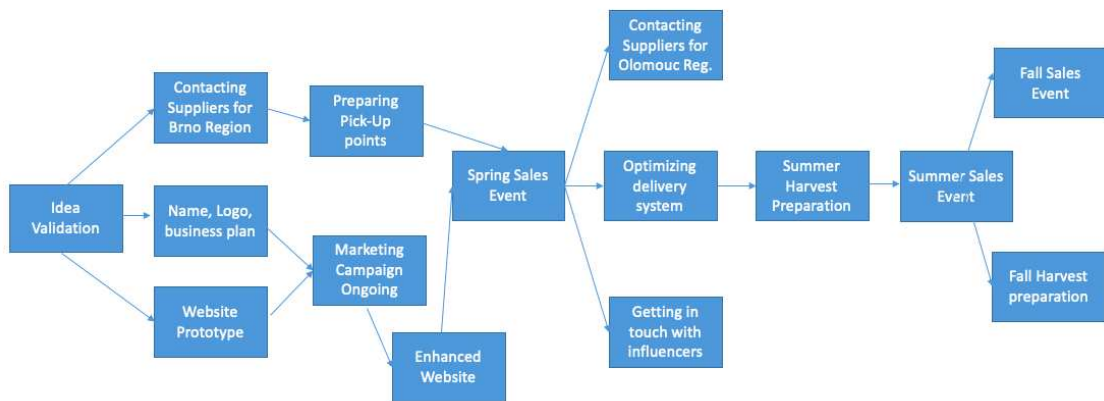


Diagram 2.9: Network diagram of the project

(source: own elaboration)

Very important point in the project is the successful execution of the first sales event, from which the further operation of the project then follows, as an optimization of logistics and contacting suppliers in the Olomouc region.

2.6 Risk Analysis

As it is with any strategies and plans in general, there is always an option that the situation doesn't go as planned, and proposed strategies are not suitable due to various reasons, (Zwikael, 2019, p. 104).

2.6.1 Low demand for products we offer

First risk that is associated with low demand for products that Nákup Ze Statku will offer. After the customer research was done, and showed promising interest in our service, based on properly identified characteristics of our potential customers, we see that demand for the nature of our service is sufficient, and we can see a growing trend. However, there might be a risk connected with the marketing activities, and if our targeting were very inaccurate, it could result in little demand for our services.

2.6.2 Suppliers are not capable to deliver amount of goods as planned

The second risk is connected with covering the demand for goods already purchased by customers or currently offering on our website. Not being able to deliver goods that were previously reserved and were claimed to be in stock in sufficient supply would cause confusion and discomfort to our customer, who would expect their product to be delivered.

Risk mitigation: We can mitigate this risk by establishing a clear system with our suppliers for goods available, and when it would occur, we would need to reimburse the customer or offer him an alternative.

2.6.3 Suppliers are not capable to deliver goods on time

Risk considering issues with the speed of delivery. Having goods delivered the same day or the next day is a comfortable service to customers, therefore delay might cause them to distrust our project and look for competition that would be able to deliver the goods on time.

Risk mitigation: We can prevent delay from happening by ensuring that the goods are on stock at the side of a supplier, and they are available for the delivery to the pick-up point or location in a certain time-frame.

2.6.4 The products are faulty

Huge issue associated with selling goods, especially food, is to sell them faulty, defective or after expiration date. The discomfort for customers is evident, and except the risk of losing that customer for good, there is also a great risk that hygiene inspection could intervene.

It can happen on the farm, that the products were not grown or stored in sufficient conditions, have faulty packaging or were damaged during the transport.

Risk mitigation: This risk can be at least partially prevented by choosing our suppliers wisely, after careful analysis, and by ensuring that the goods are in a state that is fit to consume, and after that by checking the goods quality from time to time ourselves. After all, at the beginning we are mostly the mediator, not directly purchasing from our

suppliers. After receiving similar feedback considering faulty goods, we would inspect the whole situation, and after repeating issues, the cooperation with the supplier would end.

2.6.5 Price of our service is too high

Farm products are usually more expensive than wholesale products, we are aware of that higher barrier for our customers. It's because the costs associated with the products created and its market price, so there is not much space to reduce the costs, considering, we want to have a certain margin.

Risk Mitigation: We can lower the barrier of ordering higher quality goods delivered to the customer door by lowering the delivery price or offer a loyalty/subscription program that has free delivery options.

2.6.6 Risk analysis table

I did my best to summarize the risks into a tabular form that shows the key factors, as likelihood, impact and severity, what department is assigned to certain risk and what can be done about that in a simple sentence. We can see that the biggest risk is associated with delivering food in a fresh state, and our team will focus on this risk as a priority, during preparation for prevention of all of those risks.

Risk Description	Likelihood	Impact	Severity	Owner	Mitigating Action
People won't be interested in healthy food	Small	High	High	Marketing Department	Conduct a proper market research
Suppliers won't be able to deliver the planned amount of goods	Medium	Medium	Medium	Logistic Department	Inspect and optimize fulfilling processes
Suppliers won't be able to deliver the products on time	Medium	High	Medium	Logistics Department	Analyze all possible scenarios/ways of delivery
Logistics issues and delivering the food in fresh state	High	High	High	Logistics Department	Tests of delivery
Price of our service is too high	Medium	Medium	Medium	Marketing Department	Conduct a proper market research

Table 2.3: Risk analysis table

(source: own elaboration)

2.7 Supplier analysis

Nákup Ze Statku, as mentioned earlier, aspires to create a direct (with only us being the connecting element) producer - consumer distribution, which means our suppliers of goods are simultaneously the producers of it.

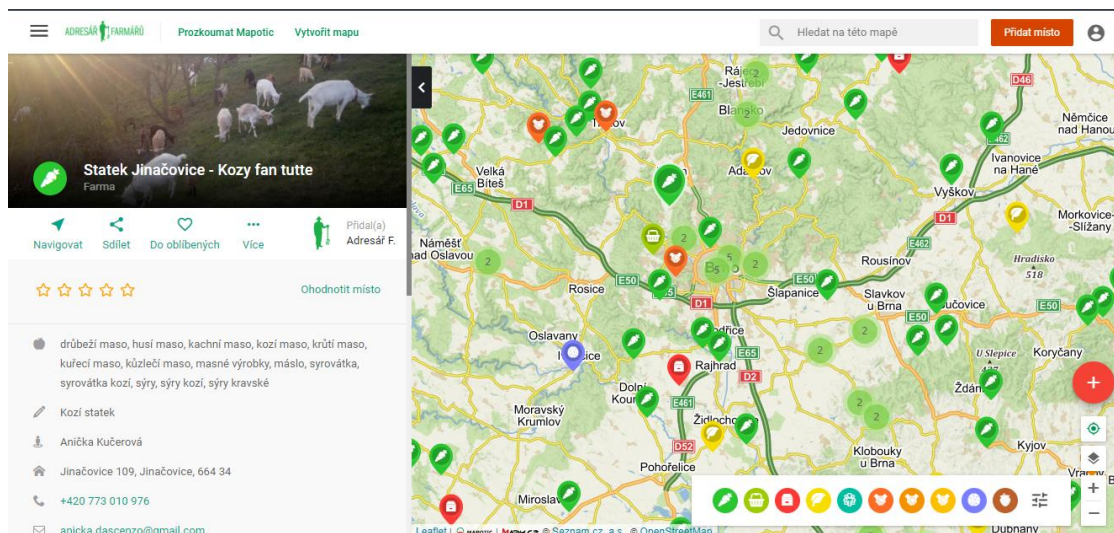
As these people are usually focused mostly on producing rather than selling, we have to take the initiative but not exploit it, as we do care about the ethics. That comes with an extra responsibility to maintain communication with them, explaining thoroughly how the cooperation should work providing a list of instructions.

Of course some of the producers have their appointed sales representative, which would in a case be the person to deal with from our side, who would manage to supply the project smoothly.

2.7.1 Supplier research

As the project has set an objective of a supplier network creation and development, a potential suppliers needs to be found in the first place. Not being local, at least at the beginning, I had to opt for those who are searchable on the internet.

Luckily Hnutí duha has an online address book with plenty of them. I selected those from locations near enough to Brno, made a contact list with their address, assortment, phone number and email. About 50 producers have been considered to work with so far.



Picture 2.12: Map of potential suppliers

(source: *adresarfarmaru.cz*)

Another valuable source of suppliers is possible to find online by scouting at our competitors' sites, where information about suppliers is usually to be found.

2.7.2 Communication with suppliers

First touch with supplies was made through a general email to see if there is any interest for mutual cooperation. The first selection of potential suppliers was made indirectly, by filtering out those who didn't respond to initial email. There is of course a possibility to reach those who didn't respond by other means - phone calling, personal visit or possibly Facebook page if the producer has one.

Once a supplier base for a project is ready, various ways of communication will be used. A facebook group is planned to be established with urgent news and updates for all of the suppliers, for faster communication. Otherwise, an email newsletter will be used for sending general updates and planned steps affecting mutual cooperation.

For individual communication any convenient platform will be used, depending on the suppliers, to ensure it's comfortable for them and working for us - it may be messenger or other chat, phone calling or mailing.

To pass information about new orders, bots will be used to send the information to the producer's email and phone (as an SMS).

Effort to look for new suppliers is to be maintained to ensure growth of the project's supplier network even after the start of the distribution - posts on our social media and other channels with information for producers interested in cooperation. Hopefully, beside digital marketing, a word will be spread by those suppliers we manage to start purchasing from and others will follow.

2.7.3 Supplier selection

Beside the strategy to find suppliers, the project will be able to choose the best ones for our cooperation. For this purpose, I've decided to use segments of the HOQ (House of Quality) method, which is usually used for finding and evaluating demands of customers for the product. However, I found it suitable to use it for our demands, demands of the project I am part of, towards suppliers in a more simple way.

2.7.3.1 Selection process

First, I've created a list of characteristics which are important to ensure a proper mutual cooperation.

In the **second step**, each characteristic is evaluated with 1-3 points to see how important a particular characteristic is for the success of sourcing goods.

In the last step, I will put these characteristics into a matrix together with chosen suppliers and evaluate each supplier with 0-3 points to see how well they meet our demand for those characteristics.

2.7.3.2 Evaluation criteria

Total score for a supplier is made by summing up multiples of each characteristic's point score with a particular supplier's score for that characteristic. List of characteristics:

Assortment they produce - How many kinds of product supplier produces?

Volume of their produce - How much of a particular kind of product does the supplier produce?

Quality of their produce - How well they control and maintain ongoing quality?

Keeping ecological principles - Usage of natural fertilizers, respect and care for nature? Are they caring for their livestock?

Price they're able to sell for - How low they're willing to go? Would they follow flat prices for which we purchase particular goods (that is set to be fair towards them)?

Communication - How early do they respond to messages/emails? Do they pick up calls? With bad communication partnership is rather complicated.

Reliability to prepare orders - Do they always have orders prepared for us? Our partners have to be responsible so we can satisfy customers.

Their location and distance - How far from Brno and other suppliers they're located? We want to spare time and fuel collecting orders.

Characteristic (Shortcut)	How to evaluate	Importance
Produce assortment (PA)	The more the better	1
Volume of produce (PV)	The more the better until it results in a mass production	1
Quality of produce (PQ)	We want supreme quality	3
Follows eco principles (EP)	BIO goods? Environmental friendliness of production methods.	2
Price (P)	The lower the better, Willing to do flat prices = better	1
Communication (C)	Response time = the sooner the better. Have a sales person = better.	2
Reliability to prepare orders (R)	Always prepared on time is a must.	3
Location and distance (D)	The closer to Brno the better. More suppliers nearby the better.	1

Table 2.4: Value of individual attributes, supplier evaluation

(source: own elaboration)

From the essence of these characteristics, we can see that some of them could only be evaluated when we already cooperated with particular farmers for some time, so their score in our supplier list may change. We will try to always trade mainly with those, who are having the best scores for particular goods.

2.7.3.3 Supplier evaluation

To showcase how the score assessment system will work, we will show a simplified table based on the information we already gained from some suppliers we've sent the test mails to combined with information available in Adresář farmářů or their website. Only characteristics which were possible to collect so far are included.

Characteri stic-> VSupplier	PA (Importance=1)	PV(1)	EP(2)	C(2)	D(1)	Total Score
Kozí zahrada	0	1	2	3	3	14 (0)
Sluneční sad Adamov	1	2	2	3	3	16
Ovčáci u Staré hory	1	2	2	3	3	16
Jakub Doležal farma	3	NA	2	0	3	10
Jalový dvůr	1	NA	2	0	1	6

Table 2.5: Supplier evaluation result, example

(source: own elaboration)

Kozí zahrada has a good score, but unfortunately they sell only non-pasteurized sheep milk which is unsuitable to be sold other than from their yard to locals they know. However, they might be a good supplier in case they for example start selling products from sheep's meat or products from milk/pasteurized milk.

Those suppliers which got 0 for communication, got it because they haven't responded to the initial test email to see their interest, however this score is likely to change after we manage to get in touch with them through other methods.

There is a need to get in touch with any supplier if the relevant output should be obtained from created table system evaluation. After discussion with co-founders, I am convinced that it is worth doing the research, as the exact information about their possibilities are provided, and how suppliers can give instant feedback how well suited they are for cooperation with the Nákup Ze Statku project.

Often the information available online is not relevant, eg. Ovčáci have stated in Adresář farmářů, that they offer a wide assortment of products but after contacting them I've found out they offer only cut flowers for sale. That's why it is a necessity to **contact each farmer before evaluating him.**

2.7.3.4 Supplier selection conclusion

After evaluating all of the potential suppliers willing to cooperate, we start purchasing particular goods from those suppliers with the highest score and follow this principle in case they're sold out.

This system of purchasing should help the project recognize suppliers with higher potential, support principles of our vision, mission and key values and cut costs and hassle required to execute our business.

2.8 Problems identification

Suppliers are among our key partners, however, finding and choosing the right ones considering their **product assortment, volume and quality** of their products, keeping ecological principles, **price** they're able to sell for, **reliability** to prepare orders, their **location and distance** from Brno is a task not to be neglected.

These are many aspects which we have to take into account, define their individual importance and mark all the potential suppliers to develop a reasonable and functional supply strategy.

Also we can't omit the importance of searching for new suppliers and repeating the process regularly to **ensure having backup supply options** in case of growth of demand -if a number of customer acquisitions and their order volumes suddenly spikes, **we have to ensure to be able to deliver goods in full volume.**

The second problem is represented by the **logistic challenges that this project faces**. Based on customer research, it is very important for customers to have their goods delivered **as quickly as possible, or as close as possible**, if they want to pick it up themselves in the pick-up locations. Therefore, I consider it very useful to deal with the analysis of the flow of information and goods in order to achieve an effective solution that will save us time and resources, and at the same time provide the project customers with the necessary **comfort and great service**.

3 PROPOSALS AND CONTRIBUTIONS

In this part of my bachelor thesis, I am going to propose a possible solution that could be implemented in the future according to its objectives, and objectives of this bachelor thesis. Also, some techniques that were used to monitor and measure the completion of the project so far are part of this section.

3.1 Project objective

The project objectives have been organized into a logical framework, to provide an overview of project objectives, and activities that should lead to anticipated results. The main goal of the project was divided into three main outcomes:

1. Creation of efficient logistic system to deliver goods in maximum comfort
2. Acquisition of 1000 unique customers
3. Surpassing revenue of 2.000.000,- CZK

The structure of the framework helps to specify the components of Nákup Ze Statku project and its activities, for example, data obtained from e-mails sent to our customers will collect the feedback on a scale 0-5, and possibly additional written feedback, to determine what factors are necessary to improve and obtain higher feedback score, representing customer satisfaction, and therefore likelihood that the service will be spread by a positive Word of Mouth. Project objectives are described on the next page.

NÁKUP ZE STATKU PROJECT			
OBJECTIVES (What you want to achieve)	INDICATORS (How to measure change)	MEANS OF VERIFICATION (Where & how to get information)	ASSUMPTIONS (What else to be aware of)
Goal: Establish a functional and prosperous delivery service of goods from local farmers to end customers	G1 % (percentage) of returning customers G2 # (number) representing turnover and revenue G3 # customer feedback score G4 # suppliers feedback score	Website records E-mail feedback questionnaire E-mail written feedback	
Outcome 1 Creation of efficient logistic system to deliver goods in maximum comfort	1a % of customers choosing delivery to their doors or pick-up points 1b % of customers preferring delivery the same day vs. the next day(s) 1c # time in hours, that takes for the delivery to be performed	1a, b Website records 1c Delivery system data	Increased demands on the distribution system when goods should be delivered on the same day
Outputs 1.1 Customers receive their goods in a preferred way and on time	1.1a % of deliveries that were delivered on time 1.1b % of deliveries that the addressee was not reached	1.1a Delivery system data	Giving the option for customer to specify the address and contact info: (bell/different telephone number)
1.2 Products maintain their superior quality, not affected by the transport	1.2a # of test deliveries of various kinds of goods that were found without error 1.2b checking quality provided by our suppliers	1.2a making test deliveries of various kinds of goods 1.2b Directly on farms	
Outcome 2 Acquisition of 1000 unique customers by the end of the October 2020	2a # of unique customers	2a through our website and invoicing system	Highly satisfied customer is more likely to recommend our service to his/her friends
Outputs 2.1 Obtaining customer feedback to improve our service	2.1a # based on a score on scale 0-5 (0- totally unsatisfied, 5- thrilled) referring to quality and the delivery service	Sent via email after order was delivered Also displayed on a website after they log in	Showing that feedback is important for us, giving the option of written feedback
2.2 Marketing activities targeting the right audience	2.2a % comparing performance of ad campaigns, ad sets and ads	Facebook Business manager Google analytics	Price for advertising changes, beware of ad-fatigue

Table 3.1: Log frame for completion of objectives No.1 and 2

(source: own elaboration)

NÁKUP ZE STATKU PROJECT			
OBJECTIVES (What you want to achieve)	INDICATORS (How to measure change)	MEANS OF VERIFICATION (Where & how to get information)	ASSUMPTIONS (What else to be aware of)
Outcome 3 Surpassing revenue of 2 million CZK by the end of October 2020	3a # Total value of purchased goods & services in CZK	Website records Invoicing report	
Outputs 3.1 Tracking website analytics	3.1a % Split testing, 3.1b % measuring bounce rate 3.1c # in minutes, measuring time spent on the website	Website analytics	Testing provides useful data. More spent time = higher probability of purchase
3.2 Special offers, deals and upsells to increase the average order	3.2a #, value of purchased goods via upsells 3.2b #, value of purchased goods offering bundles	Based on customer previous purchases/usual bundles on the website	

Table 3.2: Log frame for completion of objective No. 3

(source: own elaboration)

To put it in written form, by October 2022, our project aims to exceed turnover of 2.000.000,- CZK (Outcome 2) and 1000 customer acquisition (Outcome 3), by establishing a functional and efficient logistic system to deliver goods (Outcome 1).

The outcomes No. 2 and 3. may seem like great numbers, but they are doable if we consider that we have more than 76 weeks to do so, which is about 45 weeks that our service plans to operate.

3.2 Project planning

In this section is described how the progress of fulfilling partial tasks is planned, monitored and evaluated.

3.2.1 Project plan

Project period	1	2	3	4	5	6	7	8	Milestone evaluation:
	02/02/2021	16/02/2021	02/03/2021	16/03/2021	30/03/2021	13/04/2021	27/04/2021	11/05/2021	25/05/2021
Content	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Milestone results
Customer research	Business idea validation - demand		Customer research - detailed questionnaire						Building a service that target audience wants
Suppliers	Contacting suppliers in the area of Bimo	Specification of terms and conditions		Supplier evaluation					System for suppliers selection established
Competitor research	Beginning of competition research		Benchmarking	Mystery shopping		Creating competition maps			Position on the market defined
Logistic system		Studying legislative requirements	Delivery vehicle research		Delivery vehicle purchase	Owning delivery vehicle	Performing test rides		Establishing logistic system
Website			Consultancy with website builder	Research of important tools on website	Design of website	Website elements integrated		Building website prototype	Website is created
Pick-up points providers			Realized demand for pick-up places	Studying legislative requirements	Contacting pick-up point providers		Specification of terms and conditions		Pick-up point providers acquired
Marketing activities			Observing marketing activities of competitors	Creating social sites pages		Printing leaflets and visiting farmers markets		Launching SM advertising	Acquiring prospects and turning them into customers

Table 3.3: Project plan table

(source: Modified using www.jiribenedikt.com template)

For detailed Project plan table check appendices no.1.

The Y-axis can be used to see individual project segments, such as a customer survey or a logistics plan proposal. The X-axis then shows the time in the interval of two weeks for one time window.

Green indicates tasks that have already been successfully completed in the past, red indicates tasks that failed to be completed in a given time frame. At the end of the table are marked individual milestones, which are the target point of the effort expended in performing partial tasks.

3.2.2 Project tasks

For detailed monitoring of individual tasks, a team list of tasks is used, where it is clearly visible what the task is, to whom it was assigned and who is responsible for its fulfilment, what is the deadline of the task and a possible note. At the end is the evaluation of the task. With such task tracking, the whole process of completing individual tasks became clearer, and most importantly accelerated. Based on my previous experience, I have realized that without assigning a task to a specific stakeholder, and without setting a deadline, no one would know what to do and when exactly the task should be completed.

Project Tasks

Task	Owner	Deadline	New Deadline	Note	Status
Create a list of suppliers in Brno	Honza	19.2.2021			100%
Writing down questions and validation in Bio shops	Ivo	20.2.2021			100%
Creating questionnaire for customers	Honza	7.3.2021			100%
Creation of competitive maps	Honza	22.2.2021			100%
Perform mystery shopping of Košík.cz	Tomáš	23.2.2021			100%
Perform mystery shopping of Rohlík.cz	Honza	24.2.2021			100%

Table 3.4: Project tasks example

(source: Modified using www.jiribenedikt.com template)

3.3 Communication Plan

Our customers are always the consumers of products we distribute. Because the project focuses solely on the B2C market, it's easier to have the end customer in mind, created in the Customer persona segment in the Stakeholder analysis, than to focus even on businesses, such as restaurants or canteens.

The website will be the main interface between the project and our customers when it comes to making orders. The purchase will be made with credit or debit card in advance with their card.

We rely on our marketing activities when it comes to conversions of household customers, that are described in the next section of this section.

Active seeking for acquisition of new customers will continue, to the point when our distribution capacity is fully occupied for all of the working days of the week, which is an important milestone signaling us to grow our business, increasing capacity which

connects to many other processes and we believe that Nákup Ze Statku has a potential to mature into this stage, being self-sufficient business.

3.4 Interconnection of Project and Marketing Activities

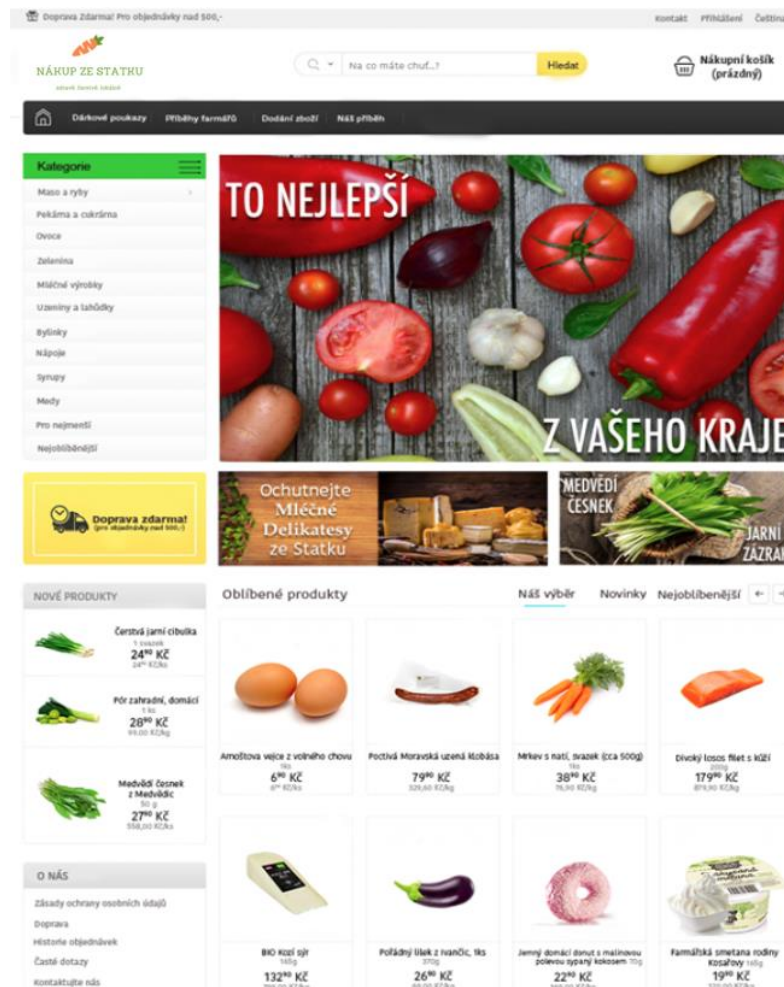
As a start-up, there are basically 3 ways how to build marketing channels.

1. Having a good website
2. Great social media presence
3. Strong physical marketing presence

I believe that only by combining all 3 types we can get competitive advantage and penetrate the market.

3.4.1 Having a good Website

As an online service - mediator between farmers and customers, I perceive the website as an absolute necessity. It also helps to build credibility and customer trust. From the investment point of view, creating an effective website can be time and cost consuming. But when we consider a website as an investment, and realize that its value lasts, and it can be a great source of upsells/down sells for a customer that has begun to shop, we'll see that it's really worth investing. It can also initialize the purchasing process, by promoting seasonal deals, usually in headline pictures.

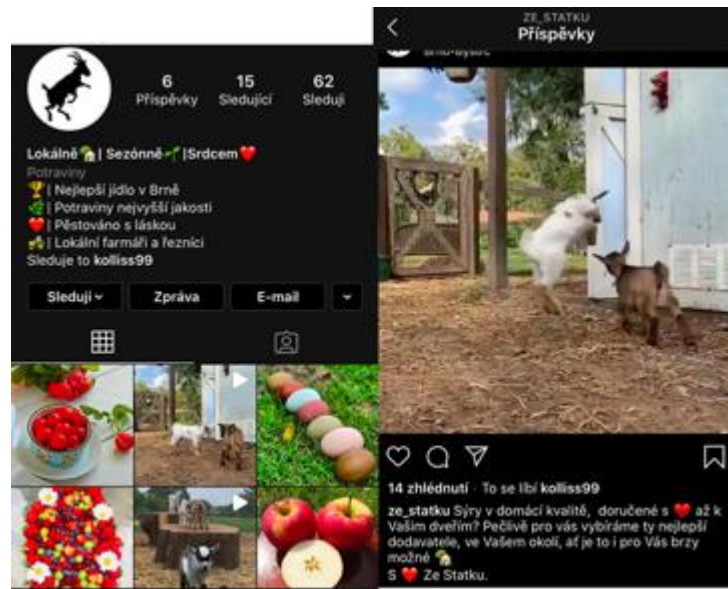


Picture 3.1: Graphical representation of project's website

(source: my own design, using Adobe Photoshop software)

3.4.2 Great social media presence

Nowadays, more than ever, it is worth being on social media. Especially as an online business. From multiple sources we can say that building a company's social media feed and profile is great for attracting customers. Not just that, we can also see, what the people interested in our services, really thinks, when they have the possibility to express feedback (reactions - like, save, shares, comments), and our direct responses as a business, and this communication of potential customers can be surely considered as a part of a sales process.



Picture 3.2 : Social Media example

(source: www.instagram.com/Ze_statku)

Last but not least, building social media is great for increasing customer loyalty to expand our marketing reach, and as well to transfer our prospects to our website (virtually), or even to live events - Farmers markets in the area of Brno, connected with the third point.

3.4.3 Strong physical marketing presence

As an aspiring online start-up, we do not plan to engage very much in this type of marketing. Activity planned from our side, that could be definitely considered as a part of physical marketing presence, was to attend Farmers markets with a wide variety of goods from the local suppliers, and to promote (send prospects) to our social media and our website to explore more about our service. Leaflets and business-cards could encourage prospects to take something home with them, and to connect with us online as well. But, during this situation about Covid-19 we has to postpone this type of marketing

At the end of this chapter, is a good fit to present a clean diagram of connection of physical activity, part of our service (delivering goods) and the online activity, and the sales process and other organizational processes behind everything.

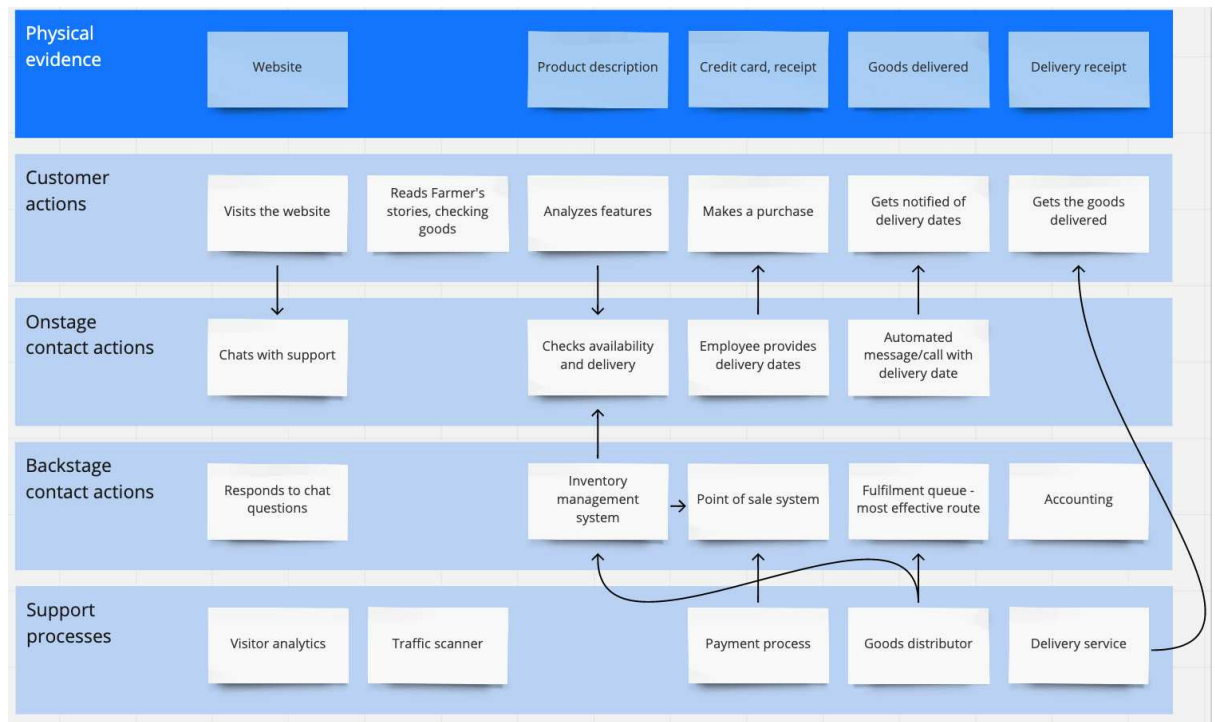


Diagram 3.1 : Customer service blueprint

(source: own elaboration)

3.5 Promotion and advertising

When it comes to promotion and advertising, several options were considered on how to promote the project to achieve the project's outcomes.

The main focus during this spring and beginning of summer, is to establish a supplier base, to cover a variety of products and be ready to launch and open our service for customers, beginning with this year's harvest. Beside that, as described in the project objectives section, a few goals that we aspire to achieve have been set, and it's in 3 areas. Number of **customer acquisitions**, **revenue**, and customer satisfaction.

3.5.1 Goals

During next year the project aspires to acquire 1000 unique paying customers, have turnover exceeding 2.000.000,- and obtain a customer feedback that is on scale from 0-5 above 4, when 5 is total satisfaction with the service. From the nature of this part, I will focus on the advertising strategies and how to obtain the first two objectives.

3.5.2 Strategies

As I already mentioned in a Communication Plan, I see a great potential in using digital marketing, especially social media. The benefits of having an easy-to-navigate website are written there, as well as the advantage of building a company's social media profiles. But even the best website needs traffic, to start converting customers. And since the Facebook and Google business model is based on advertising service, the growth and reach of business social media is very limited, to reach the numbers there is need to advertise.

For this purpose, I'd like to choose the possibility to advertise on Facebook. For a successful launch of a campaign a choosing of a right creative will be needed (respectively to put it into test and see the response of a target audience), set a few audiences that correspond with the predefined personas based on our research, setting the mode of an ad (focusing on link-clicks/ purchase/ likes) and, last but not least, adding a payment option with a set budget.

3.5.3 Optimization

The campaign will be optimizing our ads for link clicks to our website and then track customers behaviour with the help of FB and Google pixel. And then, based on acquired data, the ads efficiency will be measured (CPM, CTR), and then choose between performing creatives. Our budget on this type of advertising will eat up a significant part of our turnover. It's hard to predict certain numbers, but we aspire to invest about 20 000,- CZK into online advertising with expected ROAS about 3.0, that should cover up the costs and leave a space for a 10% profit margin. The invested amount will be adjusted based on the efficiency of a campaign.

3.5.4 Control

When it comes to controlling FB ads, it's quite simple. There is a possibility to see the metrics almost instantly, and therefore to really see what results we are paying for. The person who runs the campaign can control the budget, the time frame that a certain ad will be displayed to a certain audience, and even the time frame of a whole campaign. The amount charged by Facebook for their advertising service will not exceed the set budget. Of course, unless we set the campaign from CBO to ABO, that will allow

Facebook to optimize the budget automatically, according to its AI calculations. Our pricing policy is further described below.

3.5.5 Other ways

Considering different ways of advertising, I have thought of billboards that will represent our project and speak for the values that we stand for. As well as having our own branded car used for food transportation to our customers. I have taken the inspiration for this type of advertisement from the biggest online food delivery service, Rohlik.cz

All kinds of advertising on various platforms should, besides bringing us purchases, also represent our brand and reflect our values.

3.6 Purchasing & Logistic plan

In this chapter I will focus on the options we can choose in the implementation of our project in the financial management of goods, and the logistical part of the whole project

3.6.1 Comparison of being lean and being effective

Although we previously wanted to purchase on demand and deliver directly without storing, deep research of competitor Rohlik.cz has made me recognize that buying some amounts upfront makes a practical advantage to the logistics system. However, maintaining a warehouse space for the sufficient amount of goods will be a necessary requirement for this system, meaning incomparably higher up-front costs that wouldn't be required, if we chose very lean business model and just run a website and choose only suppliers, that would supply pick-up themselves, and making home deliveries containing products from more suppliers around Brno almost impossible to perform in reasonable time frame.

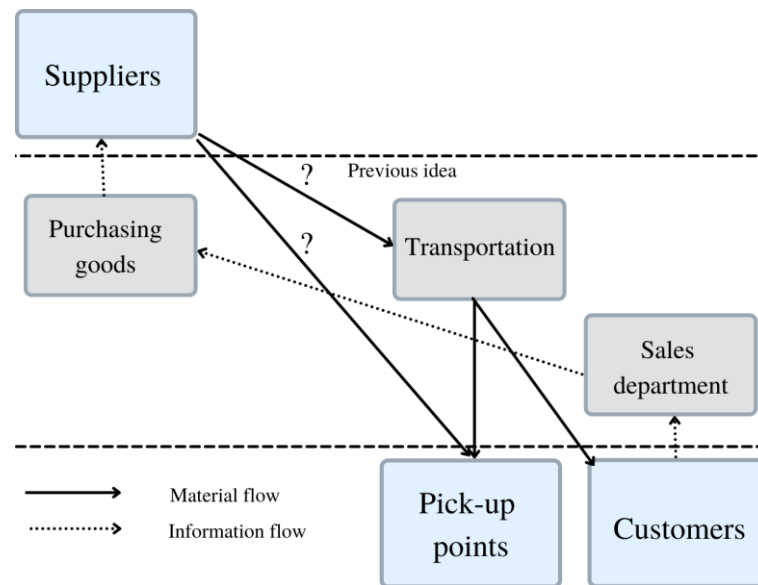


Diagram 3.2 : Initial idea of logistic system

(source: own elaboration)

3.6.2 Purchasing goods and own warehouse

The advantage of commitment to purchase the goods and run our own warehouse is in greater comfort for the end customer, mainly in the lower time required for performing the delivery. With warehouse in the area close to the city centre, we will be able to take advantages of to delivery by own or leased car, even to use bikes, delivery any day of the week to various locations flexibly, picking up larger amounts of goods from our suppliers not so often, not having car with inbuilt refrigerator, as goods will be safely stored and refrigerated/frozen in the warehouse. Cars and cargo boxes will be equipped with polystyrene boxes, which together with ‘ice filled bricks’ can easily keep products in the required temperature range for the time of transportation.

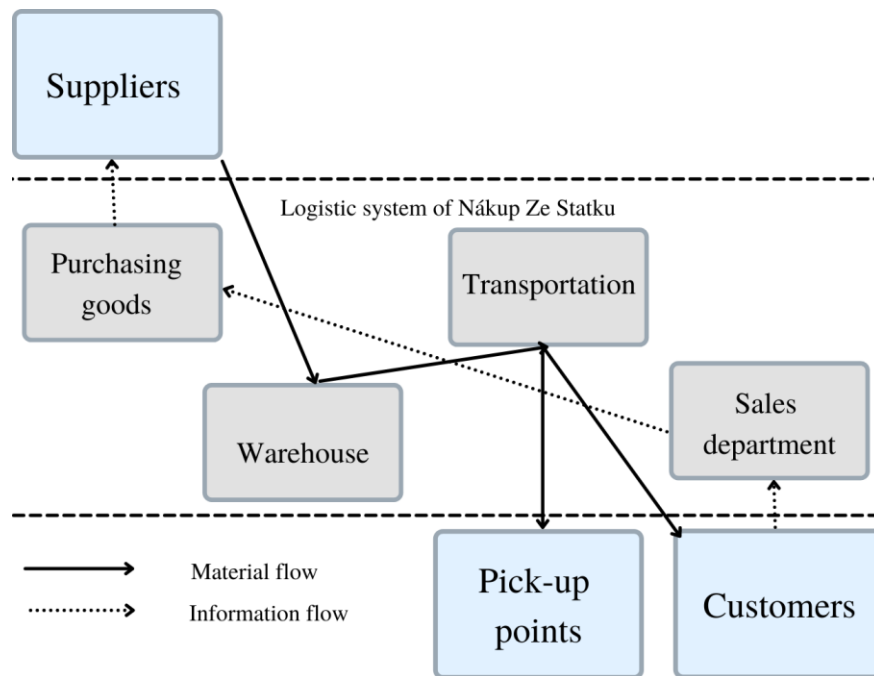


Diagram 3.3 : Proposal of Logistic system after analysis

(source: own elaboration)

I project to purchase goods of every type for about 1-2 weeks of selling upfront. Larger quantities can be purchased in case of scarce product or very durable product. However, the idea is to have only that much of each product to be able to sell the stock while the goods are fresh and to use the capacity of our vehicle wisely. Some suppliers, which attend farmers markets for example, may also deliver their products to us in case they take the road anyway. Different goods will be sold out at various times and therefore we would order and resupply (pick them up from supplier) also at various times, making it a regular morning/evening routine to visit suppliers of these products but not having to visit all of them in one day or so. At least, at the beginning. Later on, when securing the larger volumes, the supplier will be more willing to supply our warehouse directly.

3.6.3 Pick-up points providers

Pick-up points would be delivered with orders for that day in the morning, however, they would be required to own some refrigerating facility to store them or they would be marked suitable only for non-frozen/refrigerated goods. However, to comply with hygienic rules, mainly places involved in the food industry would be chosen and therefore they should logically have the storing facilities necessary. Before our testing

run, I plan to deal with some pickup points to provide us with small-scale stocking spaces to be more flexible and cost-saving. For a delivery test-day, I will try to arrange a 'day warehouse' where all orders will be accumulated and then deliver it via bike delivering method as the travelling costs will be much more effective.

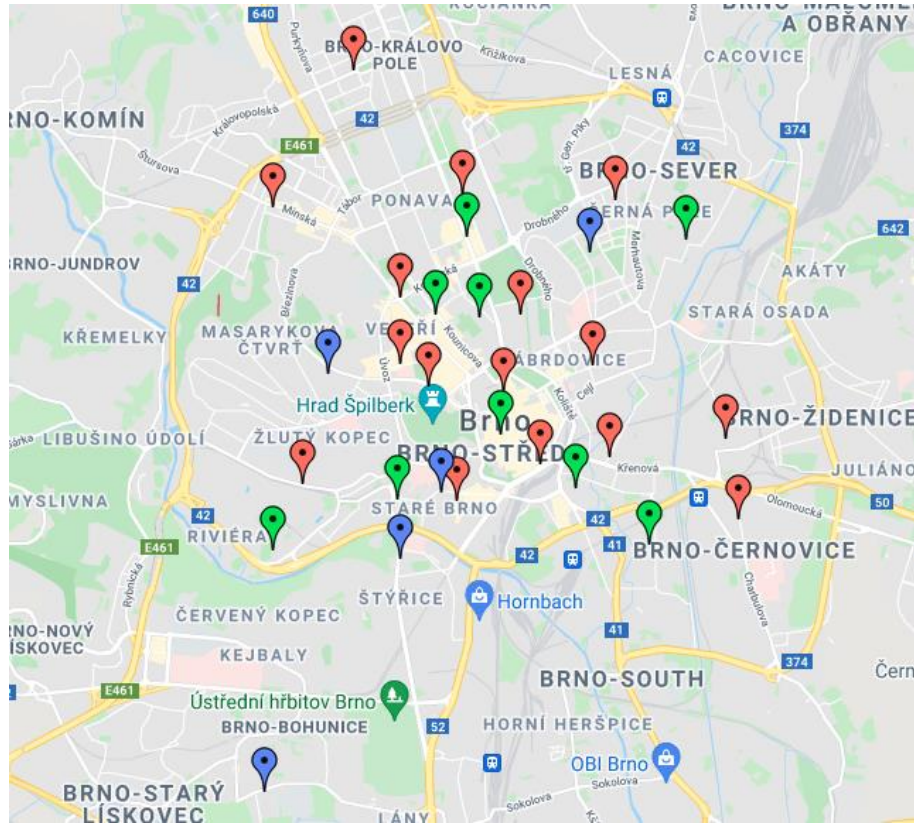
Based on the performed research, the majority of customers also want pickup points **up to 500 metres** from their location. That means tens of pickup points for the city of Brno. Therefore I focused on finding a suitable place in every neighbourhood, beginning from the centre to the outskirts as also the delivery zone will spread in the future.

In the map below, you can see pick-up point providers that were already contacted and are willing to cooperate. Based on a colour of pin on a map can see the division to **3 basic categories**

Red - Mutual fit for cooperation, their opening hours are throughout day and at the evening

Blue - Mutual fit for cooperation, their opening hours are mainly in the morning, and also throughout the day

Green - Cooperation has not been established yet, negotiation is in the process, but they are willing to cooperate



Picture 3.3: Pick-up point providers map

(source: www.pinmaps.net, created with the usage of software)

3.6.4 Home delivery option

The home delivery option is logistically more demanding, and it can also be difficult from the aspect of our human capacity. In the very beginning, when our service will go live, we will perform the home deliveries ourselves, to save financial capital and use our time and personal resources. Later on, I considered hiring external couriers, to help our humble delivery fleet, when we won't be able to serve all the orders with the van and our cars. Van should be in use all day with one of our crew driving, delivering largest orders, multiple orders to close locations/near time, and more remote locations as it is out of the bike's operating range. Services such as Dodo or other city-delivery can be used if we are overwhelmed and don't manage to increase our capacity quickly enough to serve all the customers.

For the deliveries in the very city centre, where is difficult to operate with a van or car itself, even due various restrictions preventing entry of cars to centre, I considered

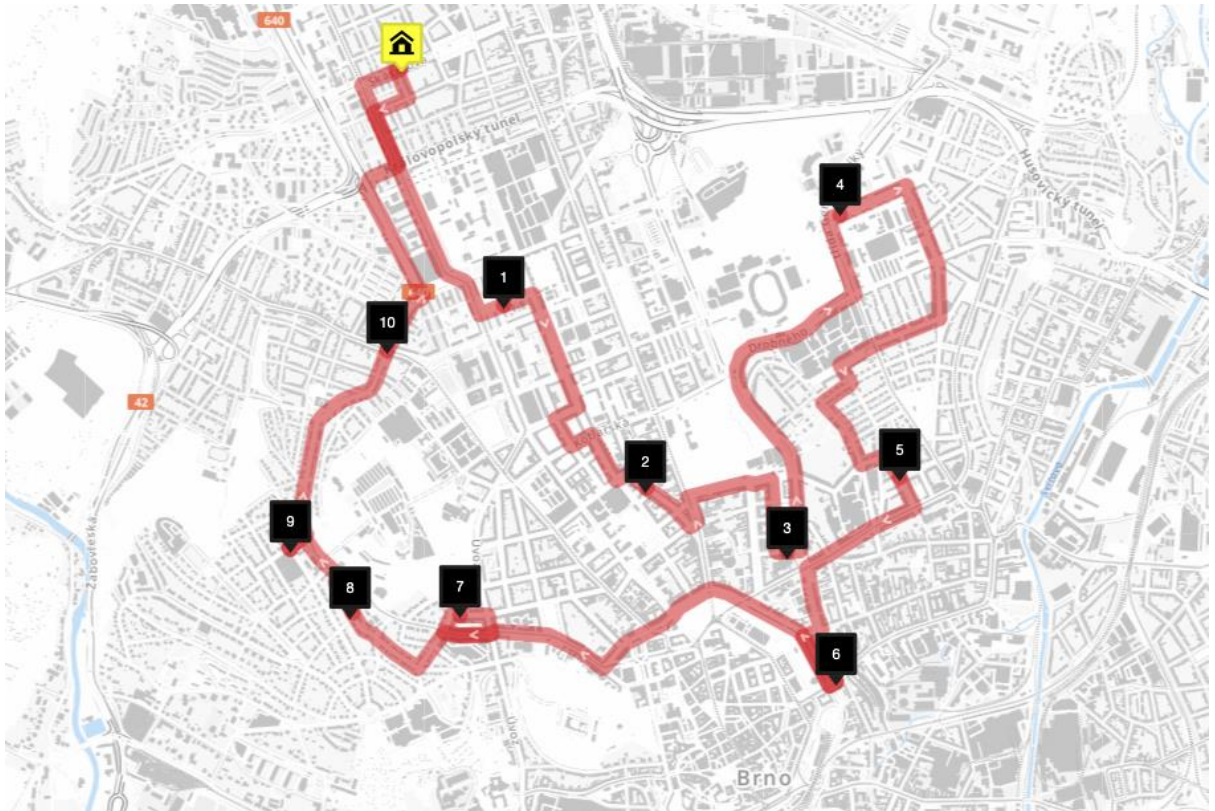
using options to perform **cargo-bike deliveries** there, as inspired by the company Švihé Synku mentioned in the analytical part of the thesis. Renting one cargo bike would be enough for testing the effectiveness of this kind of delivery, and possibly positive low-emission advertising for customers in the centre and passers-by.

3.6.5 Delivery speed requirements

We can see in our survey that consumers are nowadays used to fast delivery times, so allowing them to order eg. only for particular days of the week would be inconvenient and could demotivate many potential customers from ordering. Therefore, **we plan to provide the same or next day delivery**. Pickup points would be served always next morning from order, making it up to a day delivery time. In the case of home delivery, we will implement some limitations to the amounts of order to be delivered each day and daytime. If we are not busy in the next 2 hours, you can choose to be delivered right away. The customers will have the possibility to book the time for their order to be delivered at a particular time beforehand, making sure we will serve you in a preferred time frame. Daytimes which are already almost fully occupied would have increasing delivery cost to encourage customers to choose less busy delivery time. Like this we should be able to prevent occurrences of orders higher than we can fulfill and also support the deliveries to run smoothly along the day.

It is in the interest of our project to save time and costs while performing deliveries, therefore looking for a software that can help project the most efficient way for delivery vehicles is a suitable solution. Solutions such as RouteXL are easy to find on the internet and their costs are negligible (tens of € monthly, also has a free version we used for the purpose of this assignment's example), this particular tool offers.

In the picture below you can see an example route for the north part of the city centre, with 11 stops, starting in a warehouse in Královo pole, which the negotiation about lease is in the process.



Picture 3.4: Map of possible delivery route

(source: www.routexl.com, created with the usage of software)

The route planning software also contains a list of stops with projected times, however not counting with time required for handing over the deliveries.

🏠 - 08:00	<div>Brno Skácelova 12</div> <div>Skácelova, 612 00 Brno, South Moravian, Czech Republic</div> <div> ▶ Navigate ↔ Skip ✓ Check off </div>
#1 - 08:02	<div>Klusáčkova 504/9, 602 00 Brno, South Moravian, Czech Republic</div> <div> ▶ Navigate ↔ Skip ✓ Check off </div>
#2 - 08:10	<div>Proof & Reason, Cihlářská 19, Brno, South Moravian 602 00, Czech Republic</div> <div> ▶ Navigate ↔ Skip ✓ Check off </div>
#3 - 08:17	<div>Kudelova 1855/8, 602 00 Brno, South Moravian, Czech Republic</div> <div> ▶ Navigate ↔ Skip ✓ Check off </div>
#4 - 08:25	<div>Bleblava</div> <div>Bleblava (tram), Brno, South Moravian 613 00, Czech Republic</div> <div> ▶ Navigate ↔ Skip ✓ Check off </div>

Picture 3.5: Map of possible delivery stops

(source: www.routexl.com, created with the usage of software)

If the time estimated for handing over 1 order is 5 minutes, which is from my personal courier experience maximum it takes, it is then easy to calculate how many orders 1 vehicle can deliver in some time with the route planning software and therefore the order can be set for specific daytime limits accordingly.

In a purchasing plan it is also important to mention where to get fuel for the distribution vehicles. Our choice is Tank ONO petrol station, which offers significantly lower prices than any competitor, while maintaining quality. It is solely a Czech company and luckily we have 2 of them in Brno - first at Hvězdoslavova street and another at highway near Popovice. Their fuel is of sufficient quality as well, because low prices attract ČOI pretty often, so they have to always have fuel filling norms at their stations (Ondra Jiří, E-15, 2020).

Consumables such as packaging materials need to be purchased on a regular basis as well. However, we would like to get rid of packaging as much as possible and promote zero-waste and ecology principles by that. By offering optional reusable packaging for a deposit, which the customers could return or swap with us when delivering -empty for a full one-, at the pickup point or use it at home as a stylish handmade storage. These could be for example wooden boxes or handmade baskets supplied by a local sheltered workshop, which would again support the good cause and spare unnecessary plastic or paper bags which are usually thrown away after 1 use. In the picture below you can see a wooden box in which the goods will be delivered to customers for a deposit of 100,- per box.

For Graphical representation of reusable delivery box check appendices No.3

3.7 Outputs based on proposed solution

After evaluating the logistics side of the project, I came to the conclusion that the option of buying products in advance, storage in rented premises, and delivering it with my own

vehicle or with the help of a vehicle fleet is essential for the competitiveness of the project.

A higher product margin that the project can keep when most logistics processes are in charge of the project, than if farmers deliver these goods one day a week / twice a week, as well as a wider product assortment that can be offered to customers thanks to project own storage and therefore fast availability.

Another very important output is the easier handing over to customers according to their wishes, whether in pick-up points when their purchase is waiting for them, or with delivery at a preferred time to their home.

Performing supplier research and communication about the form of cooperation, were useful inputs to create a system for the supplier evaluation and selection, as well as the selection of specific suppliers for offering the assortment variety to customers.

At the same time, the creation of a communication plan is a proposal on how to reach customers, and proposes a strategy for achieving the goals of the project itself.

3.8 Economic evaluation of proposed solution

The advantage of purchasing a vehicle for delivery and goods in advance is the greater time flexibility that the project will be able to offer customers. Newly, based on a proposal of a distribution process with its own warehouse and delivery fleet, deliveries can be performed with greater flexibility and less time required for delivery. Temperature insulation box + thermometer is a much cheaper option than buying the whole refrigerated vehicle. A type of vehicle - Volkswagen Caddy, which will be purchased from the previous owner, will be used for delivery purposes. The costs of building a website and marketing are based on the oral communication of experts on the issue, and which will help the project to achieve the goal of customer acquisitions. Route planning software will save time and money during delivery, and to begin with, it is planned to purchase 100 pieces of wooden, reusable wooden boxes, the cost of which will be partially reimbursed with the deposit per box.

The following table shows all the planned costs of implementing the proposed procedure.

Order	Item	Price
1.	Goods purchased upfront	330 000 Kč
2.	Delivery vehicle	250 000 Kč
3.	Cooling box + thermometer	5 500 Kč
4.	Reusable wooden boxes, 100ks	10 000 Kč
5.	Route XL software	1 200 Kč
6.	Marketing costs	20 000 Kč
7.	Website creation and hosting	20 000 Kč
8.	Cargo-bike	120 000 Kč
	Total price	759 700 Kč

Table 3.5: Total price for the implementation of logistics plan and communication plan

(source: own elaboration)

3.9 Thesis limitations

In this thesis I do not consider the time value of the participants in the project, which could be financially evaluated. All the co-founders of the project agreed that they perceive the work on the project as an investment, with a planned income in the future, and a business experience.

Although we have found an estimate of the volume of purchases and their frequency based on a customer survey, it is difficult to rely on these numbers and make predictions about sales and especially profit, due to the dynamic nature of the start-up.

CONCLUSION

The first goal of the thesis was to develop a **plan for the creation of a supplier network** with clear criteria, which will serve as pathways for a decision making process easing selection and acquisition of new suppliers any time the project needs them.

The analysis of stakeholders shows that suppliers are an important part of our project. It is simply important to choose the right supplier of quality goods that will not damage the project's name. In a separate analysis of suppliers, I focused on the evaluation criteria for suppliers who are interested, such as the breadth of the range, quality of production, production capacity, price, etc.

The individual criteria had different weights (1-3 points), with the higher the score, the more suitable the supplier. Such a supplier selection system has helped to identify who are very suitable for cooperation, while minimizing the risks associated with production, storage or product quality.

For suitable suppliers, we have selected a part of the offered assortment, which we know our target group is interested in, based on a customer survey, and which we are interested in purchasing. The amount for the purchase of products is calculated at a preliminary CZK 330,000

The second goal of the thesis is to create a **proposal of a logistic system** that will ensure the transport of goods from farmers to customers in the preferred way, as quickly and efficiently as possible.

Based on the analysis of the distribution system, I came to the conclusion that there are huge differences in the offer of delivery times of individual companies. So far, small competitors have one, a maximum of two days a week reserved for delivery, usually within a maximum of two hours, while large market players offer same-day purchase delivery. Only one competing company offers customers pick their delivery at pick-up points, however data from a customer survey shows that customers are significantly interested in pick-up points. In the design part, therefore, I show how negotiations continue with the offered dispensing points, where customers can pick up their goods.

Speed of delivery is definitely an important factor for customers, which, among other things, was confirmed by the survey, and therefore instead of the previous model, which considered only connecting customers and suppliers and leaving the issue of transporting goods to farmers, a model was designed to purchase, store and distribute products to customers. At the same time, an example of software for planning the most efficient route is proposed, the legislative conditions for food storage, Cargo-bike option for deliveries in the city centre is calculated, the possibility of deliveries in returnable boxes is described, as well as a calculation that quantifies the financial complexity of this logistic proposal.

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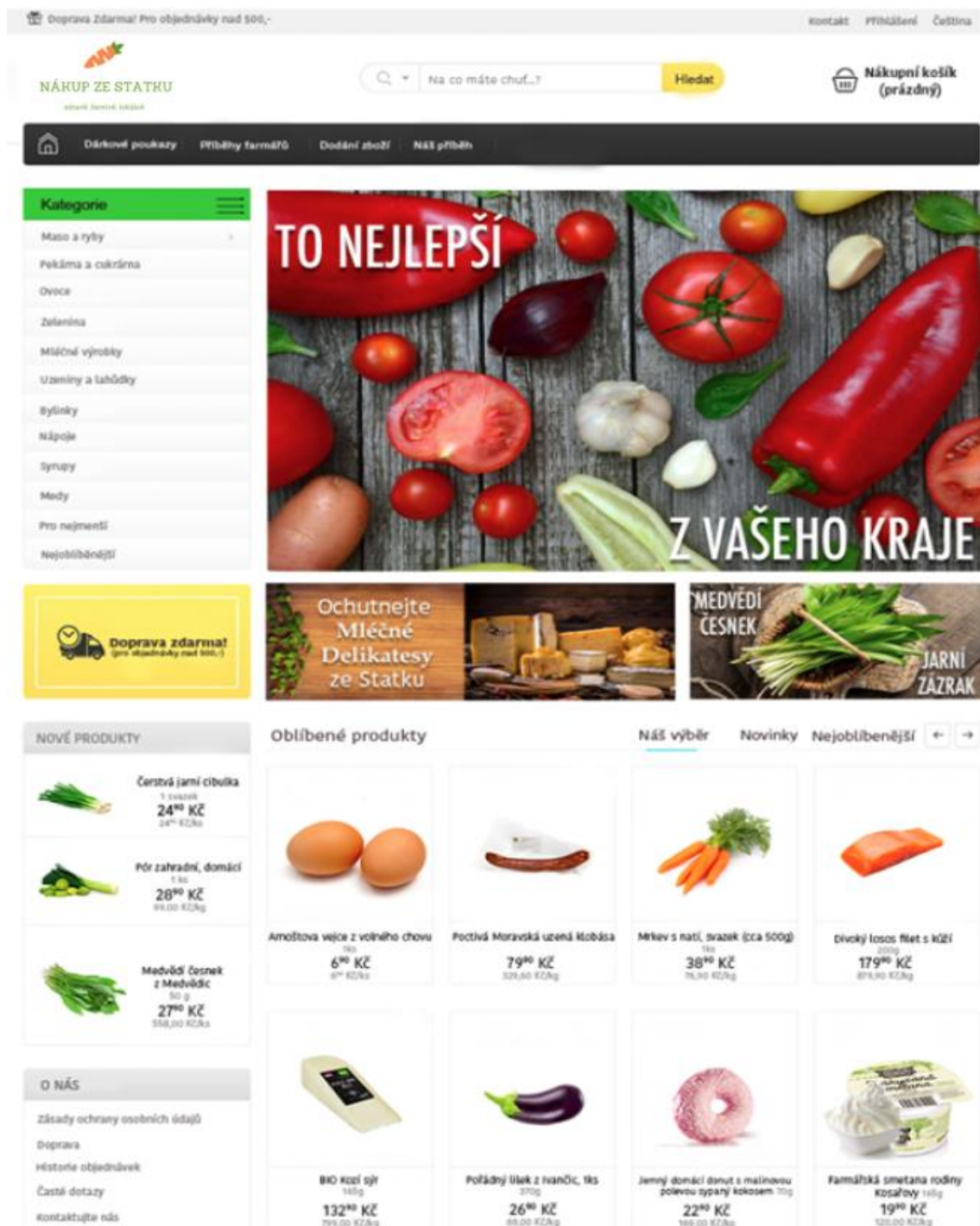
Appendix 1: Project plan table

(source: Modified using www.jiribenedikt.com template)

Project period		1	2	3	4	5	6	7	8	Milestone evaluation: 25/05/2021
Content		Activities	Activities	Activities	Activities	Activities	Activities	Activities	Activities	Milestone results
Customer research	Business idea validation - demand			Customer research - detailed questionnaire						Building a service that target audience wants
Suppliers	Contacting suppliers in the area of Brno		Specification of terms and conditions		Supplier evaluation					System for suppliers selection established
Competitor research	Beginning of competition research			Benchmarking	Mystery shopping		Creating competition maps			Position on the market defined
Logistic system			Studying legislative requirements	Delivery vehicle research		Delivery vehicle purchase	Owning delivery vehicle	Performing test rides		Establishing logistic system
Website			Consultancy with website builder		Research of important tools on website		Website elements integrated		Building website prototype	Website is created
Pick-up points providers			Realized demand for pick-up places		Studying legislative requirements		Contacting pick-up providers			Pick-up point providers acquired
Marketing activities			Observing marketing activities of competitors		Creating social sites pages		Printing leaflets and visiting farmers markets		Launching SM advertising	Acquiring prospects and turning them into customers

Appendix 2: Graphical representation of project's website

(source: my own design, using Adobe Photoshop software)



Appendix 3: Reusable delivery box example
(source: my own design, using Canva.com software)



Appendix 4: Customer service blueprint

(source: own elaboration)

